

Southern Agents Eye Commissions; Cite Frustrations

**Wilson Says Company Acts
Are Puzzling; Hargraves,
Johnson Are Top Officers**

Commissions dominated committee meeting and hospitality room discussions at Southern Agents Conference at Mobile, although the topic was skirted on the formal program. The business sessions concentrated on reducing agency operating expense—a reflection of the commission cutting trend.

D. Thompson Hargraves, Helena, Ark., was elected chairman to succeed John P. Wilson Jr., Mobile, and Dave Johnson, Pensacola, was named vice-chairman.

Archie M. Slawsby, Nashua, N. H., president of National Assn. of Insurance Agents, called for professionalism in selling in his address. He pointed out that those who buy from direct writers need to know as much about insurance as an agent. They eliminate the latter's knowledge and service by buying on the basis of price alone.

Floyd Rice, Warren, Pa., chairman of NAIA's committee on agency management, spoke on economy in agency operations, and Mr. Johnson analyzed the problem of agency perpetuation. Their remarks are separately reported.

Mr. Wilson's address as retiring chairman highlighted current frustrations in the business. He spoke from his experience as chairman of NAIA's special committee on production or acquisition cost allowance and couched his remarks in the form of an open letter to Mr. Slawsby, who appointed him to the committee.

Mr. Wilson said that his frustrations stem not so much from trying to figure what agents should do to alleviate current problems, but from the question of why they find themselves at cross purposes with their companies. His office writes no business at deviations, does not represent mutuals and has tried always to be loyal to bureau companies. He wondered if his loyalty should falter when these companies

Of Dangers Ahead For Agents, Some Will Mean Opportunities

By KENNETH O. FORCE

(Based on talk at midyear meeting of Rhode Island Assn. of Insurance Agents, Providence.)

Three things that seem important for the agent to worry about are duplication of effort with companies, flat cancellations and competition. On the other hand, the local, independent agent is, on the average, pretty capable. He is, at the top level, very capable indeed. Consequently, there are two or three things he should not be afraid of. It is unrealistic—and unnecessary—to be afraid of life, of premium payment plans, or that the agency system will disappear.

1. Duplication of effort with the companies.

The entire area of paper work es-

sential to the production of the business by independent agents and their companies needs examination. Many agencies have their own accounting systems. Some of them are quite efficient, probably more efficient than systems of some of the companies they represent. Even if agents were willing, by no means all of the companies could take over paper work processing now being performed by both and do so to the satisfaction of the agent. Yet independent agents and their companies cannot afford to do this work twice if competing companies are not doing it twice.

Some agents object to giving up paper work for fear companies will use this as an excuse to cut commissions. That is not a good reason for hanging on to duplication of effort that can be successfully eliminated. For if compa-

nies are going to cut commissions, they are not going to do so solely because of this, or perhaps at all because of this. There are other reasons.

Presently the agent writes the policy and makes an accounting of it. Then the company has to take off the information for record keeping, punch cards, etc. Why shouldn't this be done in one process and the agent furnish the company with a tape from which it could get all the records it needs—by machine? Oddly enough, a method of doing this was devised years ago. I have heard nothing of it since.

2. Flat cancellations and free insurance.

The cost of free insurance is impossible to determine with any accuracy. It is said to be considerable. However, the extent of flat cancellations, which

(CONTINUED ON PAGE 32)

N. C. Bureau Does Not Appeal North America Homeowners Deviation

North Carolina Fire Insurance Rating Bureau has decided against appealing the 10% deviation on fire and homeowners policies granted North America. As a result, Commissioner Gold has allowed the contested deviation to go into effect. The bureau gave no explanation for its decision to stay out of the courts. An appeal had been anticipated after a rehearing was held at the bureau's request.

plant with unqualified agents, mortgage brokers or lending institutions, sometimes at excess commissions, or when they oppose associations' efforts to legislate higher qualification laws for agents.

Companies have run out on agents in the fight against compulsory automobile insurance, he continued. He asked if companies should restrict coverages and curtail markets when loss ratios are bad, or if they should adjust rates to underwrite the risk properly.

"Should companies stand by and do nothing to meet the competition of the

(CONTINUED ON PAGE 20)

Commercial Union-North British Announce Plans To Merge

Directors of Commercial Union and of North British have issued a statement of plans to merge the companies. If effected, the deal will result in a \$770 million combine. Assets of Commercial Union are \$440 million and North British assets are \$330 million.

Consolidation would be particularly advantageous in the U.S. where fire and casualty operations have become too costly for smaller operations, the statement said. The combined companies would have about 45% of their business—approximately \$125 million a year, excluding life—in the U.S.

The companies will retain their identities and North British will continue to operate as a separate company if shareholders approve the merger plan.

Harry W. Miller, U. S. manager of Commercial Union, and William F. Nolen, U. S. manager of North British, are leaving for London on April 29 for discussion of merger plans with head office officials.

March Fire Loss Cut By 3% But Still At \$1 Billion Pace

Fire losses in the U. S. during March amounted to \$99,610,000, according to National Board, a decrease of 3% from losses in March, 1958, and an increase of 1.5% over losses for February, 1959.

Losses for the first three months of 1959 total \$310,713,000, an increase of 1.4% over the similar period in 1958. For the first three months of 1959 and the two preceding years, losses were:

Month	1959	1958	1957
Jan.	112,983,000	99,918,000	115,272,000
Feb.	98,120,000	103,853,000	95,569,000
March	99,610,000	102,722,000	104,565,000
Total	310,713,000	306,493,000	315,406,000

UM Wins In Oregon

The bill in Oregon to require all automobile liability policies to include an uninsured motorist endorsement has passed the legislature and has been forwarded to the governor for signature. Gov. Hatfield had endorsed the proposal as the best solution to the problem of the uninsured motorist.

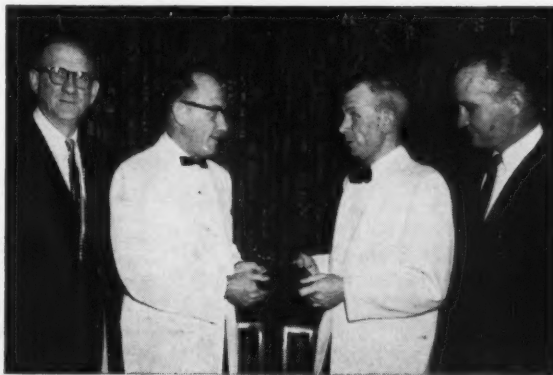
The effective date of the mandatory UM is Jan. 1, 1960.

The bill passed the senate by a vote of 24 to 5, and is seen in this light as



New officers of Oklahoma Assn. of Insurance Agents: Front—E. M. Burk, Enid, new president-elect, and James L. Reinmiller, Hobart, president. In the back are M. O. Breeding, Oklahoma City, secretary-treasurer, and Stanley D. Whitehurst, vice-president.

The Southern Agents Conference plaque for outstanding public relations activities was awarded to Florida Assn. of Insurance Agents at the meeting in Mobile. From left are Cooper Cubbedge, Jacksonville, member executive committee of NAIA; Dave Johnson, Pensacola, Florida president, receiving



plaque; John P. Wilson Jr., Mobile, retiring conference chairman, making the presentation, and Neil Coates, Miami, vice-president Florida Association.

Mass. Brokers Working Meeting Features Top Speakers; 600 Attend

By BERNARD McMACKIN

The all day working meeting at Boston of Insurance Brokers Assn. of Massachusetts was of the same high calibre as earlier editions of this annual affair. This is a gathering which has for some years attracted national attention for its excellence and the known tendency of its planners to sign speakers with something to say. The tradition was strengthened with J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, this year's star, promising a 1959 model of the American agency system, featuring streamlined ways and means of writing business and collecting premiums.

Six hundred insurance men and women, an overwhelming majority of them producers, jammed the meeting facilities of Boston's Somerset hotel, many of them working in teams to pick up their choice of four simultaneous sessions—advertising methods of insurance men by J. Kenneth Cagney, top ad man of Hartford Fire; planning for growth of an insurance agency, William C. Field, president of the Boston agency bearing his name; value of field service to an agency, George C. Peacock, vice-president Agricultural; and details of the new homeowners program, Bernard P. McMackin Jr., associate editor of the F.C.&S. Bulletins of the National Underwriter Co.

Frank E. Mueller Jr., a partner in the Chicago brokers, Mack & Parker, and vice-president of National Assn. of Insurance Brokers, was featured with Mr. Dorsett on the luncheon program. Mr. Mueller's topic was one-stop service for the customer.

Samuel O. Penni Jr., vice-president of the brokers organization, had general charge, and was assisted by Robert H. Wood, executive secretary. Both were singled out for generous accolades throughout the day.

Mr. Dorsett's reference to the need for a "retooled" merchandising ap-

proach followed his allowance that "our type of companies" must do "whatever is necessary" to narrow the existing gap between themselves and others which "by a selectivity they widely proclaim in their advertising" have the ability to skim off the more desirable automobile business. He believes this can be done without destroying the American agency system, that the streamlining of methods of writing and collecting for business can be accomplished within the framework of it.

The much discussed merit-demerit automobile rating plan introduced this month in California by National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. was cited by Mr. Dorsett as an example of such "progressive thinking—and action." He called it a great forward step.

Expresses Optimism

Mr. Dorsett spoke optimistically of the public relations activities of the past and future. Describing the Institute of Insurance which will result from consolidation of PR efforts of various segments, including Assn. of Casualty & Surety Companies and National Board in the near future, he said he is hopeful PR will shortly take its place beside indemnification and prevention as "one of the major principles of sound insurance."

The insurance business does not resent or oppose proper state regulation, Mr. Dorsett said. It is recognized that, perhaps to a greater degree than any other business, insurance profoundly affects the public interest and welfare. Therefore, it is accepted, he said, that government has a duty to protect the public against rates that are either excessive, inadequate or discriminatory.

"But we do resent, and we are now compelled very forthrightly to oppose, attempts by some state officials to

(CONTINUED ON PAGE 40)

Birmingham Turns Down Bid To Merge With American Liberty

An unsolicited proposal made April 14 by American Liberty of Birmingham to exchange preferred stock of that company for stock of Birmingham Fire & Casualty was unanimously rejected April 17 by the executive committee of the latter company. The finance committee of Birmingham F.&C. unanimously concurred in this action of the executive committee. H. G. Seibels of Seibels, Bruce & Co., Columbia, S. C., general agency and company managers, is chairman of Birmingham, and H. K. Seibels is president.

Fred A. Carnell, president of American Liberty, had proposed to directors of Birmingham F.&C. an exchange of stock by which American Liberty would acquire the common stock of Birmingham. The offer was one share of American Liberty preferred for one share of Birmingham common.

The preferred shares of American Liberty would have provided for cumulative dividends at the rate of \$1 per share per year, according to the proposal, increasing to \$1.75 for any shares not redeemed within 10 years from the date of issue. Redemption value of the preferred shares would be \$35 per share.

Mr. Carnell emphasized operating economies from the merger. He indicated that his company would be interested in discussing the acquisition of at least 51% of the Birmingham F.&C. common stock if for any reason a merger did not receive the necessary stockholder approval.

Sheehan Becomes V-P Of Guaranty Security

Cyril C. Sheehan, former Minnesota commissioner for six years, has joined Guaranty Security of Minneapolis, a fire and auto insurer organized in 1955, as executive vice-president and director.

Mr. Sheehan joined Home Life in 1929, and later went with Sun Life and the W. A. Lang agency of St. Paul. In 1947, he became secretary of the Minnesota workmen's compensation board, serving in that position until his appointment as commissioner in 1953.



Cyril C. Sheehan

IDEA Reelects Robinson

Insurance Distaff Executives Assn. of Chicago at its annual meeting last week reelected Jane Robinson, Wolf Collins & Co., as president, and Carole DiCicco, Starkweather & Shepley, as vice-president. Margaret Bormann, U. S. F. & G., was elected recording secretary; Virginia Nelson, George F. Brown & Sons, corresponding secretary; Bernice Dahl, Fidelity & Deposit, treasurer; Alice Jackson, Chubb & Son, historian.

The installation will be May 21 at the 20th anniversary meeting of IDEA at the Palmer House.

Gopher 1752s Slate Clinics

Gopher (Minnesota) 1752 Club will hold clinics at St. Cloud, April 27; Detroit Lakes, April 28; Thief River Falls, April 29, and Duluth, April 30.

New Type Of National Brokers, Service Organization Formed

A new national insurance brokerage and service organization, to be known as Alexander, Sexton & Carr, has been organized as a joint venture of W. A. Alexander & Co. of Chicago, Charles W. Sexton Co. of Minneapolis, Francis C. Carr-Fox & Pier of New York, and Alexander, Sexton & Carr of California.

The new organization is not a merger of the agencies and brokerage organizations, although directly related mergers had to take place in New York and California as preliminary steps. Each of the four original organizations own stock in Alexander, Sexton & Carr.

The new company will have complete, established organizations in New York, Chicago, the Twin Cities, San Francisco-Oakland, Los Angeles and Portland, Ore.

Fetzer Chairman

Chairman is Wade Fetzer Jr. of W. A. Alexander & Co. and the president is George W. Haerle, president Charles W. Sexton Co. Other officers are: Executive vice-presidents, George Dwight, president Carr-Fox & Pier, and Roger D. Latham Jr., vice-president and general manager Alexander, Sexton & Carr of California; vice-president and treasurer, Walter M. Sheldon, executive vice-president W. A. Alexander; vice-president and secretary, Waldo Hardell, executive vice-president Sexton & Co., vice-president, John K. Cowperthwaite, executive vice-president Carr-Fox & Pier. They will also serve as directors.

Alexander, Sexton & Carr of California is the result of a merger of Alexander & Co. of California operations with the former Spencer & Co. and the Reidt Co. of San Francisco and Oakland.

Mr. Fetzer said studies have indicated a natural separation of insurance marketing into local and multiple location risks. The new organization of Alexander, Sexton & Carr, will provide both local, autonomous service under known names, and national service for multiple location risks. The autonomous local organizations have created and own the new company to provide both the incentive and facility to handle local and national operations.

Casualty Bureau And Association To Meet

Assn. of Casualty & Surety Companies and National Bureau of Casualty Underwriters will hold their annual meeting May 12 at the Waldorf-Astoria Hotel, New York. Officers, as well as members of the executive committee, will be elected and annual reports will be submitted at the business meetings. The business meetings will be followed at noon by the joint annual reception and luncheon. The annual meeting of Nuclear Energy Liability Insurance Assn. will be held in the afternoon.

Excelsior officers will meet with their agency personnel and their families at a series of nine informal luncheon or dinner gatherings in four midwest states. The meetings will be held April 27-May 1.

On hand at the working meeting of Insurance Brokers Assn. of Massachusetts, seated, C. F. J. Harrington, executive vice-president National Assn. of Insurance Brokers; J. Dewey Dorsett, general manager Casualty & Surety Companies. Standing are S. O. Penni Jr., general chairman of the meeting; J. L. Kelly, president Insurance Brokers Assn. of Massachusetts, and R. H. Wood, executive secretary of the Massachusetts association.



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Assets as of December 31, 1958

	1958	1957	1956
Cash and Bank Deposits.....	\$ 104,129.63	\$ 102,171.80	\$ 59,635.15
U. S. Government Bonds.....	722,036.52	695,245.76	521,538.48
Municipal Bonds.....	121,990.74	24,630.39	10,000.00
Stocks	14,875.00	85,854.54	115,906.58
Accrued Interest Receivable.....	5,525.80	5,862.54	2,106.30
Agents' Balances.....	204,009.26	148,744.81	78,725.74
Deposits	4,795.04	1,365.68	1,635.32
	<u>\$1,177,361.99</u>	<u>\$1,063,875.52</u>	<u>\$ 789,547.57</u>
Furniture and Equipment less Depreciation..	\$ 22,199.26	\$ 12,872.79	\$ 14,477.08
TOTAL ASSETS	\$1,199,561.25	\$1,076,748.31	\$ 804,024.65

Liabilities as of December 31, 1958

	1958	1957	1956
Accounts Payable.....	\$ 4,714.90	\$ 10,275.91	\$ 1,003.42
Taxes Payable.....	2,750.00	26,015.30	19,665.15
Reinsurance Balances Payable.....	31,249.74	40,804.14	9,384.14
Reserve for Unearned Premiums.....	338,112.30	208,762.30	119,290.03
Reserve for Losses.....	93,510.16	54,963.46	55,823.71
TOTAL LIABILITIES	\$ 470,337.10	\$ 340,821.11	\$ 205,166.45
Common Stock.....	\$ 503,559.56	\$ 502,974.00	\$ 380,500.00
Surplus	225,664.59	232,953.20	218,358.20
POLICY HOLDERS SURPLUS	\$ 729,224.15	\$ 735,927.20	\$ 598,858.20
TOTAL LIABILITIES AND CAPITAL	\$1,199,561.25	\$1,076,748.31	\$ 804,024.65



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GOOD CROWD FOR MIDYEAR

R. I. Faces Monopolistic WC Fund Fight;
Yacht Losses, Notably From Skiing, Rise

PROVIDENCE—Approximately 300 attended the midyear meeting here of Rhode Island Assn. of Insurance Agents. This was a good crowd for a small state. But since an agent can get from any part of the state to Providence in an hour, and since George C. Hughes, executive secretary, and the officers prepare a fast, half day program with banquet which allows agents to get home in the same 24 hours, attendance at both the annual and midyear meetings always has been good.

President Elwin T. Gammons of Providence gave a brisk legislative report to open the meeting, and then Leo A. Warburton of Providence, program chairman, outlined the afternoon educational bill. This consisted of six simultaneous round tables, which were run twice to give attendees a chance at two.

Edward Gardenstone, marine surveyor of Providence, and Donald D. Dummer, assistant ocean marine manager of Providence Washington, handled the session on yacht surveys and underwriting; John E. Beuchler, agency superintendent of Hartford Fire group at the head office, led the round table on errors and omissions; W. B. Collins, division manager New England Fire Insurance Rating Assn., fire rating; J. F. Holzinger, manager Retail Credit Co., Providence, credit inspection reports; George Faunce III, president of Afco, premium budget plans, and Mrs. Elizabeth A. Geary of Corroon & Reynolds, president Insurance Women of Providence, agency office procedures.

Oppose WC Fund Bill

At the banquet, Kenneth O. Force of THE NATIONAL UNDERWRITER discussed agency problems.

The two most adverse bills in the legislature are ones providing compulsory auto and a monopolistic state WC fund, which is backed by AFL-CIO, Mr. Gammons said. Agents hope to defeat the fund bill, but it is strongly supported. He urged agents and their employees to let legislators know of their opposition. The situation is so serious that the association has planned a series of educational meetings throughout the state at which Carleton I. Fisher of Providence will outline the major weaknesses of the fund proposal.

Agents favor a surplus lines bill, Mr. Gammons added. This is being backed by the insurance department. Rhode Island is one of five states left that doesn't have such legislation. The bill provides for licensing brokers to place business in unauthorized insurers. It would, he said, help association members compete for this business.

Water Skiing A Problem

Water skiing is presenting the underwriters with serious losses under protection and indemnity, Mr. Dummer said. On fast boats his company and some others now are excluding BI and medical payments. Some insurers won't write any boat where they think the ski hazard exists. Others are holding down the amounts of coverage. Still others are charging more premium. This is on inboard boats.

There is, he said, no BI in the standard coverage of outboard boats. Here the BI falls on the comprehensive personal liability. But the CPL under-

writers are becoming increasingly disturbed by the rise in losses due to ski accidents. They may take action.

How about a release of liability? Mr. Dummer said many skiers are teenagers. (CONTINUED ON PAGE 36)

HEW Report Found
Unrealistic On
Care Costs Of Aged

WASHINGTON—The report on health care of the aged that the department of Health, Education & Welfare has submitted to the House ways and means committee has put the cost figure at a more realistic level than its earlier estimates but even the billion-dollar estimate given now by HEW is far below what insurance experts see as the probable cost.

Last June, E. J. Faulkner, president Woodmen Accident & Life, speaking for the A&S insurers, told the ways and means committee the total cost would exceed \$2 billion.

"Assuming an effective date of Jan. 1, 1959, for commencement of payments," Mr. Faulkner told the committee, "we estimate the first year cost of the proposed hospital benefits would be \$1,370,000,000, surgical benefits \$228,371,000, and nursing and home care \$513,929,000, for a total of \$2,112,600,000."

Charts Future Increases

"Using these first year costs as a base, our actuaries have projected the cost for future years. For hospital benefits their conservative estimate is a 4% increase each year 1960-64 inclusive, 3% per year 1965-69 inclusive, 2% per year 1970-74 inclusive and 1% per year, 1975-79 inclusive."

The Hew report cites as one reason against immediate action the growth rate of voluntary health insurance plans. If it is recognized that health insurance may never reach certain groups, such as those in long-stay institutions and the near-indigent, "the present achievement of voluntary insurance in relation to its potential is even greater than the 40% coverage of persons 65 and over would suggest," the report states.

Other reasons advanced in the report against legislation now are: A compulsory program would inhibit further expansion of voluntary health insurance; pressures would develop to extend the program still further; the possibility that rising costs of medical care would be prohibitive; possible extension of the program to include the working population; and other assistance programs would be hard hit.

In support of instituting a government program the report presents five arguments. They are: The government can better and more equitably distribute the cost burden for such a program than can private industry; voluntary health insurance would be relieved of the responsibility for insuring the older aged; the older aged would receive more extensive and more adequate protection than is presently available; the spreading of costs to the entire population would result in less cost to the individual during his working years; and over-all costs of the program would be lower due to the size of the group involved and the utilization of existing systems of collection.

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Weipert, Heindel, Ulvila Named V-Ps By London Assurance

London Assurance group has elected Karl Weipert vice-president of Manhattan F. & M. Russell P. Heindel and Arne J. Ulvila have been named vice-presidents and Frank P. Kelly Jr. assistant secretary of Manhattan F. & M. and Guarantee.



Arne J. Ulvila

Mr. Weipert began his insurance career in 1921 with National Fire. He joined London Assurance in 1923. He has been automobile superintendent, special representative and executive special agent. He was named manager of the midwest department in 1947.

Mr. Heindel entered the business in



Russell P. Heindel

1925 as an automobile underwriter with Valley Auto Exchange of Saginaw, Mich. In 1941 he joined London Assurance as special agent in Michigan and later advanced to state agent. He was named manager of the north central office in Lansing in 1956. He is a past president of Michigan Fire Underwriters Assn. and a PMLG of Michigan Blue Goose.

Mr. Ulvila began his career with Northwestern National at San Francisco in 1938. In 1946, he went with London Assurance in the southern California field. In 1957 he was named manager of the southern California branch, and in 1958 was elected assistant secretary of



Karl Weipert

Manhattan F. & M. and Guarantee. He is a PMLG of California Blue Goose.

Mr. Kelly joined the group in 1951 as a fire underwriter at San Francisco after prior experience with Pacific Fire Rating Bureau. He was appointed special agent at San Francisco in 1952, and four years later was advanced to superintendent of agencies for the Pacific Coast. In 1957 he became regional production manager.

Fischbeck In Ill. Field For Fireman's Fund

George D. Fischbeck has joined Fireman's Fund as farm and hail special agent with headquarters at Peoria, Ill. Mr. Fischbeck has been operating a local agency in Roodhouse, Ill., and has been a per diem adjuster for Fireman's Fund for a number of years.

Alm Detroit State Agent

Phoenix of Hartford has appointed Harry R. Alm state agent at Detroit. He will report to Charles L. Rosenow, manager. Mr. Alm previously was manager at Detroit of Springfield F.&M.

MacBean Prescribes For Writing School And Municipal Risks

A program for property writing school and municipal business was presented by Roy H. MacBean of Cranford, N. J., at a panel discussion of the subject during Buffalo I-Day. This was a joint meeting with Eastern Agents Conference. Among other things, he recommended writing libraries under valuable paper coverage, rather than in fire and EC, at a substantially smaller cost.

As to liability, Mr. MacBean advised agents to write only one combined comprehensive auto and general liability policy with adequate limits, including PDL and products-completed operations. Then the agent should add occurrence BI. Personal injury should be included—false arrest, malicious prosecution or willful detention or imprisonment; libel, slander or defamation of character, invasion of privacy and wrongful eviction or wrongful entry. This can be done for 10% to 25% of general liability premium.

Also, he said, additional interest of employees, at 10% of the general liability premium, and P.T.A.'s blanket coverage at the same cost, should be included.

Commandeered Autos

With an endorsement, the agent can include coverage for damage to commandeered autos in charge of insured. This is done by endorsement to coverage B of the auto PDL. The deductible applies only to collision losses—not to comprehensive type losses. The premium is the same as for additional police department cars including emergency use.

By endorsement the agent can add professional malpractice, which includes errors or mistakes in rendering or failing to render medical, surgical, dental or nursing treatment including furnishing of food or beverages or performance of an autopsy. This is (a) rated.

Use composite rating plans wherever applicable, he advised—audit on payroll, population or mileage, etc. Eliminate the water damage PDL exclusion wherever necessary. Be sure to attach a "waiver of immunity" endorsement so the insurer will be stopped from using this as a defense on any case without first obtaining permission of insured.

Add driver training, safety patrol cars, etc., including additional interest of owners or lessors. Furnish certificates of insurance to owners or lessors.

In workmen's compensation he suggested increasing coverage B (employers liability) from the basic \$25,000 to at least \$100,000. The "all states" endorsement will extend coverage beyond state borders. He said to watch for opportunities to use experience rating and premium discount and retrospective rules and rating plans where applicable. A volunteer firemen's accident policy can be written to supplement benefits under WC. The policy also can cover rescue of first aid squads.

Boiler & Machinery

In boiler and machinery, section IV (BI) should be excluded because the coverage is provided by comprehensive liability. Furnace explosion should also be excluded because the coverage is provided by EC. However, section

(CONTINUED ON PAGE 37)

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Tells How AFIA Writes Business Abroad

American Foreign Insurance Assn. has now passed its 40th year of world-wide insurance operations. The latest edition of the association's publication of AFIA's operations and of each member company's overseas activities. AFIA now operates more than 650 agencies and branches in 70 countries, with annual premiums of more than \$51 million. James O. Nichols is president.

AFIA acts as a foreign department

for its 16 member companies. It provides practically every type of coverage, except life, for business and individuals abroad. This requires a working knowledge of economic, political, social and legislative issues in each country. William F. Cushman, vice-president, points out. Easy transfer of funds from one country to another and unhampered exchange of reinsurance are fundamentals of AFIA's program.

The brokerage department, headed by Harrington Putnam, vice-president, handles and develops business originating and controlled in the U. S. but applying to risks in foreign countries. The U. S. producer generally must depend on AFIA for information on the foreign features of his risk. Frequently the buyer also may need information about local insurance practices. Among the financial department's responsibilities, according to Eric Alpert, vice-president, is keeping up to date reports on the statutes, registration requirements,

exchange regulations and economic and political conditions of each country.

The legal department, headed by Leon H. Doman, general counsel, must keep up with legislation in foreign countries and be able to unravel claims, occurring almost daily, that involve conflicts of laws and applications of legal doctrines, often in contrast in different jurisdictions. The comptroller, George V. Fortune, and his department, keep tabs on the finances and operating results of the 103 branches and 545 agencies. The restrictions and regulations of foreign exchange and international means of payment are a major complication dealt with by this department.

Underwriting Divisions

Home and foreign fire underwriting is controlled by the fire underwriting department under Michael J. Loughrey. In well established branches where underwriting is done locally it provides information on selectivity of risks. The casualty department, headed by R. Maynard Toelle, operates similarly. The marine department, supervised by Anthony G. Muldoon, vice-president, is one of AFIA's fastest growing accounts. The reinsurance department under Tristram B. Brown Jr., vice-president, has set up treaty relations with companies in 43 countries, most of which are mutually obligatory agreements. Joseph F. O'Brien, secretary, points out that abroad the association largely uses foreign personnel, who are familiar with their particular area. Of AFIA's overseas staff of 2,000, 98% are foreign. For this reason Helmut Kimpel, public relations manager, publishes the AFIA News in five languages.

Through these departments, AFIA's services have made possible extensive foreign expansion by member companies. Aetna Fire has developed an excellent market in south and central Africa, writing all classes of fire, marine and casualty. The company, taking advantage of the growing market brought about by the growth of new industries, recently had to pay a claim by an East African motorist whose car was heavily damaged when charged by an enraged rhino. American, which operates in 17 countries ranging from Borneo to the Middle East, has developed various lines including writing fire insurance on mosques.

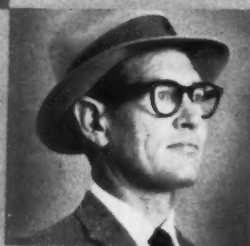
Where Insurers Are Active

Boston has found Hong Kong an expanding market. Fireman's Fund, which operates in seven countries, writes considerable coverage on warehouse stores in Singapore. Glens Falls has operated in the Netherlands since



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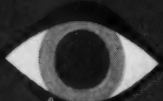
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1933, weathering the damage of World War II and the flood of 1953 to develop an excellent market there. Great American, the only AFIA member in Spain, is represented by 65 agents there. Hartford Fire operates in 30 foreign countries and is especially active in Australia. Home, St. Paul F.&M. and Springfield F.&M. operate in several countries but are particularly active in South America. Phoenix of Hartford has done business in Indonesia since 1936 and found it an excellent market. Reliance, which operates in several countries, was forced to withdraw from the Philippines when it changed its name from Fire Association, because it was confused with Reliance of the Philippines.

U. S. Fire and Westchester Fire took part, a few years ago, in an unusual situation that illustrates the type of problems with which AFIA has to deal. A noted radio commentator was traveling around the world filming a travelogue with very modern and expensive camera equipment. Several countries, such as Egypt, had restrictions regarding the importation of such equipment. In each of these countries a bond was provided by AFIA which guaranteed that he would not sell the equipment.

To Analyze Markets At AMA Spring Meet

Problems in the American and British insurance markets will be reviewed at the opening session of American Management Assn.'s spring insurance conference May 6-8 at the Hotel Roosevelt, New York. The meeting is expected to attract more than 500 insurance executives.

Brice A. Frey Jr., vice-president General Re, will discuss problems the American risk manager may expect to encounter in purchasing protection. David V. Palmer, vice-president Lumley, Dennant & Co., New York, will analyze present plans and prospects for the future in the London market.

Two views of today's insurance manager—that of top management and of the insurance manager himself—will be presented by Elliott A. Johnson and W. Howard Clem, Schlumberger Well Surveying Corp., Houston.

Taking part in panel discussion of loss prevention programs will be Robert J. Ruppel, Joseph E. Seagram & Sons, chairman; Dr. John V. Grimaldi, General Electric Co.; Charles H. Martin, American Cyanamid Co.; T. V. Murphy, Maryland Shipbuilding & Drydock Co., and William K. Ousley, Boston Manufacturers Mutual.

Communication With Underwriters

Another panel will deal with communicating the risk to insurance markets. Participants will be Edwin T. Berquist, Pure Oil Co.; Hiram L. Kenicott Jr., Lumbermens Mutual Casualty, and Ewald R. Zimmerman, American Bakeries Co.

C. Stanley Hamilton, J. P. Stevens & Co., will analyze cost vs the need for benefits for retired employees. The insurer's view of the new disclosure law covering welfare and pension plans will be presented by Victor A. Lutnicki, John Hancock Mutual Life.

Retrospective rating as an aid to the risk manager will be explained by Blon H. Francis, Milford, Conn. Robert K. Thompson, Seaboard Surety, will discuss advertisers' liability.

The concluding luncheon address will be made by Foster C. Greene, assistant deputy manager, Employers Liability.

Focus On Marketing At Casualty Workshop

Assn. of Casualty & Surety Companies will hold its annual workshop on cost reduction and control at Hotel New Yorker, May 5.

The workshop will investigate marketing and distribution by exploring the problems of agency system companies in improving service and meeting competition.

The seminar meeting will be moderated by George W. Tisdale, secretary of Commercial Union. Guest speaker at the luncheon will be Morton V. V. White, Allentown, Pa., chairman of National Assn. of Insurance Agents' special committee on federal affairs, who will discuss competitive marketing systems in property and casualty insurance.

Mid-Continent Casualty of Tulsa has purchased the three-story Oral Roberts building for its new home office. The company expects to move by May 1.

U.S.F.&G. Promotes Hoffman In St. Louis


U.S.F.&G. has appointed John W. Hoffman assistant manager at St. Louis. He had been executive assistant in the home office claim department since 1953. He joined the company in 1930 as adjuster in St. Louis. In 1936, he resigned to enter private law practice, rejoining U.S.F.&G. in 1942. He served as supervisor and then assistant superintendent of claims at St. Louis.

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Somerville, Mostero V-Ps; Home Raises Penn, Five Others

Home has advanced Irwin B. Somerville from secretary to vice-presi-



Irwin B. Somerville



Fernando S. Mostero

dent and secretary, service department; William Penn, from assistant secretary to secretary, marine department; Ralph Johnson from assistant secretary to secretary, operating division, and Harold J. Samsel, from manager at Baltimore to assistant secretary.

Home Indemnity has promoted Fernando S. Mostero from assistant secretary to vice-president and secretary; Burton J. Johnson, from assistant secretary to secretary, general claims manager to assistant secretary, claim division.

William M. Shoucair, administrative assistant to the controller, was elected assistant controller of both companies.

Mr. Somerville joined Home in 1933. He has spent his entire career in the field and in the service department. He was elected assistant secretary in 1952, secretary in 1953, and was placed in charge of the service department in 1958.

Mr. Mostero joined Home Indemnity at Los Angeles as a special agent

in 1949. He was elected assistant manager there in 1950, manager in 1951 and general manager of auto and the Pacific department in 1956. He became assistant secretary of Home and Home Indemnity in 1958.

Mr. Penn began his career with Home as an underwriter in 1928 and has been in the field and in home office inland marine assignments. He was elected assistant secretary in 1953. Ralph Johnson, who joined Home in 1933, later became manager of the automobile department in Chicago. He was transferred to the head office in New York in 1952, subsequently assigned to the operating division, and was elected assistant secretary in 1958.

Mr. Samsel has been affiliated with Home since 1925, and has been in the suburban, eastern and service departments. Later he was appointed assistant manager at Newark and manager in 1946. In 1956 he was transferred to Baltimore as manager.

Burton Johnson, joined Home Indemnity at Oklahoma as a loss-claim superintendent in 1950. In 1952 he was transferred to Dallas in a similar capacity. After subsequent service at Chicago as a claim manager, Mr. Johnson was elected an assistant secretary and was transferred to New York in charge of nationwide claims operations under the supervision of Edwin H. Ely, vice-president. Mr. Buckwalter, with the company since 1946, has been an examiner, supervisor and assistant general claims manager in the loss-claim department. Last February he was appointed general claims manager, countrywide.

Mr. Shoucair joined Home in 1931 and has held accounting, statistical and control posts at the head office. He became manager of the premium accounting division in 1952, and in 1955 was appointed administrative assistant to the controller.

Insurance Women of New York will hold its annual charity bridge party at Hotel Governor Clinton, May 2.

New Study Sees Big Insurance Gains Ahead In Cal.

LOS ANGELES —Unprecedented growth for insurance in the California market has been forecast by Dr. Robert R. Dockson, dean-elect of the University of Southern California school of commerce, in a new economic study published by Union Bank.

Entitled "Growth Pattern: The Insurance Industry in the California Market," the study is the second in a series by Dr. Dockson, who is consulting economist to Union Bank. Dr. Dockson's first study on the dynamic Los Angeles metropolitan area was published last year and gained nationwide attention for its projections which pointed to a population of 10,300,000 for the two-county area by 1975 and forecast that Los Angeles was destined to become the world's number one metropolis.

Forecasts Market Doubling

The insurance study forecasts a doubling of the insurance market in California by 1975, with total premiums for all lines expected to reach from \$5.5 billion to \$6.5 billion, compared with \$2.5 billion in 1957. Total premiums have advanced 515% in California since 1940 compared with 345% for the nation as a whole.

Dr. Dockson stated that all types of insurance participated in this tremendous growth, but at varying rates, with disability insurance up more than 2400% and automobile up more than 700%. Life insurance represented the smallest increase but still advanced about 300%.

The study estimates that 47% to 51% of the state's insurance business is located in the Los Angeles metropolitan area, and as this area continues to

expand at a rate faster than the rest of the state, this percentage can be expected to become still higher.

Los Angeles has replaced San Francisco as the dominant insurance center in the state on the basis of employment, according to Dr. Dockson. There were approximately 80,000 workers directly employed in insurance in California during 1957, and in addition, about 130,000 original and renewal licenses were issued to brokers, agents and solicitors.

Dr. Dockson reported that there were 639 authorized insurers in California in 1957, but no single institution dominates the market, and records show that some of the smaller companies have done well. Of the total, 172 were life insurers, 453 were fire, marine, casualty and miscellaneous, and 14 were title companies. Ninety-four of the companies were domiciled in the state and a majority of these had their head offices in the Los Angeles metropolitan area.

According to the study, the average California citizen owns more life insurance than the average citizen in the rest of the country. Total life premiums will range from \$1.8 billion to \$2.1 billion by 1975, compared with \$874 million in 1957.

North America To Have New Indianapolis Office

North America will move its Indianapolis service office from 1250 Consolidated Building, 115 North Pennsylvania Avenue, to larger quarters in the new Fidelity Building, 111 Monument Circle, on May 4. Lamar H. Layfield of North America, John D. Blum of Indemnity of North America, and William D. Ashton Jr., Life of North America, are managers of the office.

Vernon Peters Elected Head Of Iowa Mutual Agents

DES MOINES—Vernon S. Peters, Lansing, was elected president of Iowa Assn. of Mutual Insurance Agents at the annual convention here. Harold Kerper, Greeley, was named vice-president, and Lyle Jones, Iowa City, was named secretary-treasurer.

Named to the board were Daniel Stevenson, Fort Dodge; Vernon Jansen, North English; Robert Hasek, Sac City and Lee Owens, Traer.

N. Y. Fire Engineers Plan Two Day N. E. Field Trip


New York Chapter of Society of Fire Protection Engineers will hold a field trip for its members and guests May 4-5. On the first day the group will tour the Grinnell Sprinkler plant in Cranston, R. I. They will see how the sprinklers are made and witness a transformer fire demonstration. On the second day the group will go to Norwood, Mass., to tour the Factory Mutual laboratories. That tour will include a fire test, and explosion demonstration.

Dashiell, Evans Advanced

Civil Service Employees of San Francisco has appointed William W. Dashiell assistant vice-president in charge of claims and Richard A. Evans assistant vice-president in charge of underwriting.

Marquette Names Ellison

Thomas H. Ellison has been appointed casualty manager of Marquette Casualty. He has been with London Guarantee and in 1955 he became casualty manager at New Orleans of Home.



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Keating, Hannah, Kutteruf Raised By Hartford Group

James F. Keating has been elected vice-president in addition to secretary, and Robert C. Hannah assistant secretary of Hartford Fire and Hartford Accident. Robert H. Kutteruf has been named assistant secretary of Hartford Fire.



James F. Keating

Mr. Keating joined Hartford Accident in 1942 as a special agent in Connecticut. With the establishment of the company's training center in 1945, he became its director. He became assistant secretary of Hartford Accident in 1946 and secretary in 1950, and was named secretary of Hartford Fire in 1956. He formerly headed the home office burglary and plate glass departments and was in the agency department before assuming his present position as head of the office manager's department.

Mr. Hannah, with Hartford Fire since 1951, was a special agent in Rhode Island from 1952 until 1955 when he was transferred to the home office personnel department. He is a director of National Office Management Assn.

Mr. Kutteruf joined Hartford Fire in 1942. Since January he has been an administrative assistant in the home office. He is secretary of New England Claim Executives Assn.

Wells Retires, Business To Cravens, Dargan & Co.

Clint G. Wells, president of Wells & Co. general agency of Fort Worth, is retiring from the business. The general agency is being taken over by Cravens, Dargan & Co., which will continue the business in force and continue representation of the companies. Cravens, Dargan will handle all the agency accounts and outstanding premium installments through its head office in Houston.

Bill Would Liberalize Longshoremen's WC Act

A bill to amend the longshoremen's and harbor workers' compensation act has unanimously passed the House. The measure would allow an injured employee to receive compensation while suing the person who injured him. He could also collect compensation while in the process of claiming that the injury was caused through the negligence of others and bringing a tort action. If the court award exceeds the amount of compensation, reimbursement would be necessary. Under present law an employee must elect to sue or receive compensation.

Seek Va. Auto Rate Hikes

National Bureau and Mutual Insurance Rating Bureau have filed in Virginia for an average BI and PDL auto rate increase of 14.7% on private passenger cars, 17.8% on trucks and other commercial vehicles, 11.8% on garage and auto dealers' cars, and 35.6% on public livery vehicles and taxi cabs.

The corporation commission will hold hearings May 12-13 on the filings which would be effective July 1.

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Conventions

- April 26-28, National Board of State Directors of NAIA, midyear, and Far West Agents Conference of NAIA, annual, Westward Ho Hotel, Phoenix.
- April 26-28, Iowa agents, annual, Roosevelt Hotel, Cedar Rapids.
- April 29-May 1, Zone V of NAIC, Arlington Hotel, Hot Springs, Arkansas.
- April 30, Chicago 1-Day, Conrad Hilton Hotel.
- April 30, Midwestern Independent Statistical Service, annual, LaSalle Hotel, Chicago.
- April 30-May 1, Conference of Mutual Casualty Companies, claim conference, Conrad Hilton Hotel, Chicago.
- April 30-May 2, North Carolina agents, annual, Carolina Hotel, Pinehurst.
- May 3-5, Alabama agents, annual, Whitley Hotel, Montgomery.
- May 3-5, Florida mutual agents, annual, Robert Meyer Hotel, Jacksonville.
- May 3-5, New York agents, annual, Hotel Syracuse, Syracuse.
- May 3-5, Zone 3 of NAIC, Sheraton-Seelbach Hotel, Louisville.
- May 4-6, American Mutual Insurance Alliance, annual, Edgewater Beach Hotel, Chicago.
- May 4-6, Health Insurance Assn., Bellevue-Stratford Hotel, Philadelphia.
- May 4-6, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach Hotel, Chicago.
- May 5-8, Insurance Accounting & Statistical Assn., annual, Ambassador Hotel, Atlantic City.
- May 6-8, National Assn. of Independent Insurance Adjusters, annual, Shamrock Hilton Hotel, Houston.
- May 7-8, Missouri mutual agents, annual, Governor Hotel, Jefferson City.
- May 11-13, Pacific Board, annual, Biltmore Hotel, Santa Barbara, California.
- May 11-14, National Assn. of Insurance Brokers, annual, Waldorf-Astoria, New York.
- May 12, Assn. of Casualty & Surety Companies, annual, Waldorf-Astoria, New York.
- May 12-15, Insurance Company Education Directors, annual, Skytop, Pa.
- May 14, Surety Assn. of America, annual, Astor Hotel, New York.
- May 14-15, Arkansas agents, annual, Arlington Hotel, Hot Springs.
- May 14-15, Central Claim Executives Assn., Marrott Hotel, Indianapolis.
- May 14-15, National Assn. of Casualty & Surety Agents, midyear, Ambassador Hotel, Chicago.
- May 18, Vermont agents, spring meeting, Woodstock Inn, Woodstock.
- May 18-20, American Assn. of Managing General Agents, annual, Essex House, New York.
- May 18-20, Illinois Bureau of Casualty Insurers, annual, St. Nicholas Hotel, Springfield.
- May 18-20, Insurance Accounting and Statistical Assn., annual, Ambassador Hotel, Atlantic City.
- May 20, National Automobile Underwriters Assn., annual, Statler Hotel, New York.
- May 21, National Board of Fire Underwriters, annual, Biltmore Hotel, New York.
- May 21-22, Casualty Actuarial Society, spring meeting, Ambassador Hotel, Atlantic City.
- May 21-23, Texas agents, annual, Texas Hotel, Fort Worth.
- May 21-23, Florida agents, annual, Jacksonville.
- May 28-29, Georgia agents, annual, Biltmore Hotel, Atlanta.
- June 1-2, Eastern Underwriters Assn., midyear, Olesaga Hotel, Cooperstown.
- June 5-6, Virginia agents, annual, Greenbrier, White Sulphur Springs, W. Va.
- June 7-9, Georgia mutual agents, annual, King and Prince Hotel, St. Simons.
- June 7-9, Tennessee and Kentucky Mutual agents (combined), annual, Andrew Jackson Hotel, Nashville.
- June 8-10, Southeastern Underwriters Assn., annual, Homestead, Hot Springs, Va.
- June 8-12, NAIC, annual, Statler Hotel, Boston.
- June 11-13, Mississippi agents, annual, Edgewater Gulf Hotel, Edgewater Park.
- June 11-13, Carolinas mutual agents, annual, Grove Park Inn, Asheville, N. C.
- June 14-17, Conference of Mutual Casualty Companies, management conference, Antlers Hotel, Colorado Springs, Colorado.
- June 14-18, International Assn. of A&H Underwriters, annual, French Lick-Sheraton, French Lick, Ind.
- June 15-17, Michigan Capital Stock Ins. Assn., Michigan Blue Goose, Michigan Fire Prevention Assn., annual, Gratiot Inn, Port Huron, Mich.
- June 17-18, Illinois farm agents, annual, Jefferson Hotel, Peoria.
- June 17-19, Maryland agents, midyear, Commander Hotel, Ocean City.
- June 17-21, National Assn. of Public Adjusters, annual, Concord Hotel, Klamath Lake, N. Y.
- June 18-19, Delaware agents, annual, Rehoboth Beach Country Club, Rehoboth Beach.
- June 21-24, Insurance Advertising Conference, annual, Williamsburg Inn, Williamsburg, Va.
- June 28-July 1, Consumer Credit Insurance Assn., annual, Desert Inn, Las Vegas.
- June 30-July 2, International Assn. of Insurance Counsel, annual, Banff Springs Hotel, Banff, Alberta, Canada.

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Agricultural Stock Issue Is Approved

At a special meeting, holders of more than 70% of outstanding shares of Agricultural approved issuance of additional stock to be offered in exchange for Anchor Casualty's common and preferred shares.

The move is a further step in the proposed acquisition of Anchor Casualty. Agricultural has sought Securities & Exchange Commission authority to register 132,000 shares of \$10 par value capital stock to be offered at a price not exceeding \$50 a share.

Norelius New President Of Tri-State Mutual

Charles E. Norelius has been elected president of Tri-State Mutual of Luverne, Minn. He succeeds E. W. Brown who declined reelection but will remain on the board. Mr. Norelius was also elected to the board, replacing J. E. Betts of Mitchell, S. D., a member for 28 years.

R. H. Swanson and H. L. Smith were elected secretary and treasurer in that order, and John E. Greig and Elmer P. Piegras were reelected vice-president and assistant secretary respectively.

The election of Mr. Smith, a Luverne banker, represents a change in company policy. The treasurer has previously been one of the out-of-town directors. Mr. Smith succeeds E. H. Sexauer of Brookings, Minn.

New Mexico Auto AR Plan Reports On 1958

New Mexico Automobile Assigned Risk Plan, in its report for calendar year 1958, shows 2,707 applications, of which 1,724 were new and 983 renewals. The plan issued 1,673 policies on new assignments and 425 on renewals, and 61 applications were rejected. Applicants did not take 511 policies and 37 applications were dropped. Of the five appeals, two rejections were sustained by the governing committee and one was overruled. Medical certificates were issued in the other two cases.

State Farm Mutual Auto was the leading writer of auto BI in New Mexico on the basis of 1956 premiums, followed by Farmers Exchange, Fireman's Fund group, U.S.F.&G. and Allstate.

Manager of the New Mexico plan is R. G. Shurtleff.

Parr Industrial Indem. Ad Chief

Robert J. Parr has been appointed advertising manager of Industrial In-

demnity. A former merchandising manager and advertising columnist for the San Francisco Chronicle, Mr. Parr joined Industrial Indemnity in 1955 as advertising assistant and later was named assistant advertising manager.

Open Argentina Brokerage Firm

Rollins Burdick Hunter and International Basic Economy Corp. have established a brokerage firm in Buenos Aires. Known as IBEC-Rollins Burdick Hunter S.A., the firm will be similar to the one established in Brazil two years ago.

Agents Group Surveys Local Accident Causes

Clarksburg (W. Va.) Automobile Accident Study Committee has been formed by independent, mutual and direct writing agents and companies, and adjusters there, to investigate the conditions contributing to the cause of accidents occurring in Clarksburg. The committee, which was originated and is financed by Harrison County Assn. of Independent Agents, was created to attempt to reduce automobile accident frequency and stem the contin-

ually increasing auto rates.

The committee compiles statistics of all accidents occurring in the city from reports of adjusters or agents and the police department. The place of accident, violation and circumstances are carefully tabulated. The committee expects, after the survey has been in operation for a few months, to be able to pinpoint what is needed in the way of improved enforcement and traffic regulations to reduce the accident frequency. Harlan C. Taylor of Union agency serves as chairman of the committee.

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Newspapers Make Pitch For Some Of NAIA'S \$2 Million Ad Budget

Wisconsin Assn. of Insurance Agents is supporting newspapers in their attempt to gather a portion of the \$2-million which National Assn. of Insurance Agents will put into its advertising campaign this year.

Editor & Publisher, magazine of the publishing industry, reported the Wisconsin association's decision to have come at the heels of a letter submitted to it by Richard A. Davis of the Wisconsin Rapids Daily Tribune and president of Wisconsin Advertising Executives Assn. Mr. Davis, upon seeing an article in Wisconsininsuror reporting NAIA's intention of concentrating its advertising in TV and Life magazine to the exclusion of newspapers, wrote:

"I would like to ask if you do not think it rather incongruous for national, state and local groups, as well as individuals, to constantly seek newspaper space in the form of publicity and pictures but ignore same when it comes to a paid advertising campaign

as 'masterfully conceived by Doremus & Co.'?"

"Where else is there a more natural or effective place for the independent insurance agent to tell his story than in the pages of his local daily newspaper? Where else can he spend his money as efficiently but alongside the births, deaths, marriages, accidents, burglaries, disasters, fires and accounts of other community happenings that make his potential customer so conscious of the need for his product?"

After deriding TV as a media with viewers who leave the room during commercials, Mr. Davis said Life reaches only 112,681 out of the 1,082,400 families in Wisconsin. TV advertising, he said, going into 617,785 homes would cost \$2.52 per minute per 1,000 homes. About 16 million impressions in newspapers reaching almost every home in the state would cost about seven cents per inch.

The executive secretary of the Wis-

consin association wrote the advertising committee, expressing an opinion that there has been too little direct use of newspapers, and urging that "you and your committee will confer with Doremus officials in an effort to accommodate this situation."

Gives Proof Trained Drivers 50% Safer

Bodily injury liability and property damage frequencies for untrained young drivers are double the frequency for trained drivers, J. H. Walgren, automobile underwriting director of Allstate, told the Houston spring workshop of National Assn. of Independent Insurers.

Data has been compiled by the company since 1954, when it began to offer premium discounts to young drivers (25 and under) who had completed approved high school driver training courses, said Mr. Walgren. He added that one of the most important things to keep in mind in analyzing statistics on driver training is the inherent selective bias in the type of individual who takes these predominately voluntary driver training courses.

Mr. Walgren stressed the need for continued research in the driver training area but said the results of initial studies inspire confidence in high school trained young drivers as insurance risks.

Richman Advanced By Springfield-Monarch

Springfield-Monarch has appointed Kenneth W. Richman casualty manager of the western department, Chicago. He joined the group in 1957 and has been superintendent of compensation, liability, burglary and plate glass at the home office. He is secretary of Western Massachusetts Casualty Underwriters Assn.

American Surety Names Guy Western Fire Loss Head

American Surety has appointed Ralph R. Guy supervisor of loss operations at its western fire office in Chicago. He previously was manager of the Waukegan, Ill., office of Underwriters Adjusting Co.

Fidelity Of S. C. Appoints

Fidelity of Mullins, S. C. has appointed Harold S. Sinclair agency director. He had been with Glens Falls since 1949 as auditor-safety inspector in South Carolina, and as special agent for West Virginia and Pittsburgh.

William R. Kelly Jr. has joined Hufty, Eubank & Russell, consultants and brokers of Washington, D. C. He will specialize in coverage for physicians and dentists.

Buffalo Results Improved In 1958

Buffalo had an underwriting loss of \$794,927 in 1958—36.5% less than in 1957. Net premiums were down 3% to \$6,713,184. Unearned premium reserve decreased from \$7,356,664 to \$6,945,677. Policyholder surplus rose from \$4,132,685 to \$4,857,359.

In a letter to the company's producers Victor T. Ehre, president, noted that the decrease in premiums was according to plan and reflected restricted underwriting in high loss areas as well as refinement of the agency plant. Mr. Ehre said that the underwriting loss in the last half of 1958 was only \$98,209 compared with \$696,718 in the first half. The third quarter produced a profit.

The ratio of losses and loss expenses to premiums earned was 66.6 against 68.9 in 1957. Ratio of expenses to premiums written was 47.3 against 48.2. Investment income in 1958 was \$333,389. Assets rose 4% to \$15,335,326.

N. Y. Brokers To Hear Thacher At Luncheon

Insurance Brokers' Assn. of New York state will hold its annual luncheon May 12 at the Waldorf-Astoria, New York. Superintendent Thacher will be the speaker.

The luncheon is being held concurrently with the four-day meeting of the directors of National Assn. of Insurance Brokers, also at the Waldorf-Astoria.

RBH Elevates Henry, Kennedy And Stengel

Rollins Burdick Hunter has appointed Joseph C. Henry vice-president, J. H. Kennedy assistant vice-president and Miss Anne Stengel assistant secretary.

Mr. Henry joined the company in 1945. He became manager of the bond and surety department and currently is in charge of the financial institutions' business. With Zurich since 1945, Mr. Kennedy joined RBH in 1957 as casualty manager. Miss Stengel will continue as manager of the accounting department at New York.

Charlotte, Mich., Agents Elect

Carl Rochester Jr. has been elected president of Charlotte (Mich.) Assn. of Insurance Agents. Other new officers are: William Powers, vice-president, and Bernard Schrader, secretary-treasurer (reelected). Jack Cook and Gilmour Strecks were named to the executive committee.

Richmond Assn. of Insurance Agents at its April 28 meeting will hear Oscar Beling, manager of Royal-Globe's agency systems department. He will speak on agency profit planning.

58th ANNUAL REPORT, DECEMBER 31st, 1958

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Chicago A&H Men Pick Marlowe; Urged To Put Pressure On Prospects

Daniel X. Marlowe, Provident L.&A., has been elected president of Chicago A&H Assn., succeeding Jack Olson, Combined. Other new officers are Robert Wehrmeister, W. A. Alexander & Co.; Stanley Greenspun, Massachusetts Casualty, and Martin R. Hauelsen, Washington National, vice-presidents, and Charles K. Coleman, Combined, secretary-treasurer.

Luncheon speaker S. B. Stottrup, Mutual Benefit H.&A., Decatur, Ill., advised members not to be afraid of using pressure to jar their prospects from indecision. An amount of pressure equal to the amount of resistance should be used, and it should be applied until there is no more resistance. He recommended that agents follow the successful selling methods of TV and use visual sales tools.

Also presented were plans for the association's annual banquet May 22 at the Conrad Hilton Hotel.

Raps Code, Inspection System In School Fire

A grim lesson in fire safety as illustrated by the Our Lady of Angels School fire at Chicago was described by Dale K. Auck, who denounced the inadequacies of the fire code and inspection system at the April meeting of Chicago chapter of Society of Fire Protection Engineers. Mr. Auck, director of the fire protection division of Federation of Mutual Fire Insurance Companies, served on the coroner's jury that investigated the blaze that claimed 91 children last December.

He summarized the jury's findings into five points:

1. Delay in sounding the fire alarm at the school.
2. Delay in transmitting the alarm to the fire department.
3. Delay in getting sufficient number of firemen to the scene.
4. Mediocre inspections.
5. Unrealistic appreciation of house-keeping.

The last inspection of the school was "the sorriest one I have ever seen," he said, adding that the fault may not have been the inspector's so much as the system under which he worked. He criticized the system which permitted the school to be found to be "legally" safe under the fire code while delegating the responsibilities for electrical and other inspections to other authorities. "If we are to make realistic inspections, one man should do it all," he said.

Mr. Auck also questioned the value of fire code boards which did not contain fire engineers. "Why are architects, lawyers and other business men deemed to be more knowledgeable" on fire problems than fire protection engineers, he asked.

Only One Druggists Mutual

Druggists Mutual of Algona, La., has restyled itself Druggists Mutual Ins. Co. The company is now celebrating its 50th anniversary. When it was organized, there were four other mutual companies with the word Druggists in their title, but Druggists Mutual is the only one left.

Midway Insurance Round Table, central New Jersey field men's organization, will hear Milton H. Grannatt Jr., Trenton, president New Jersey Assn. of Insurance Agents, speak on agents problems at the May 8 meeting at Washington Crossing Inn.

Insurer Will Pay All, Jury Told In Test Of Insurance Prejudice

In a test to determine whether juries are prejudiced against insurers, the attorney for Grange of Seattle, defending an insured in a third party accident, told the jury that the defendant would pay nothing and the insurance company would stand the entire loss.

The insured was defending an action for \$7,500 resulting from an automobile accident in which Mrs. Gladys Bush was injured. The Grange attorney told the jury the company had decided to experiment in an effort to determine if jurors are prejudiced against insurance companies. The jury was informed that the defendant would not have to pay anything, but a verdict indirectly is paid by all the insurance company's policyholders.

The jury returned a verdict for \$6,500 for Mrs. Bush's injuries and \$268 for damages to her car.

The attorney said he did not consider the experiment a success.

Peerless Raises Four

Peerless has promoted Charles S. Maxson to underwriting supervisor at the home office. He has been manager at Pittsburgh where he is succeeded by William H. Foster who has been in the West Virginia and western Pennsylvania field.

Everett G. Paine has been advanced to home office agency supervisor to handle all New England, except Massachusetts, and upstate New York business. He was manager at Buffalo and will be succeeded by George J. Polisson who has been in field work there.

William F. Lynch has been named special agent at Concord, N. H., where he will be associated with Thomas E. Moffett, state agent. Mr. Lynch recently completed a training period at the home office.

Fund Shifts Three In Inland Marine On Coast

A. Roy Thomson has been appointed assistant manager of the Pacific inland marine department of Fireman's Fund. He succeeds Mac W. Henderson, who has been transferred to the southern California department. Mr. Thomson joined the fund as an inland marine adjuster in 1950 and was appointed superintendent of the San Francisco inland marine department in 1954.

Dwan P. Basdeka, who succeeds Mr. Thomson, joined the Fund in 1953 and has been supervising inland marine underwriter at San Francisco.

Ohio Security Names Rezac

Edward R. Rezac has been named manager of the casualty department of Ohio Security.

Plan Seminar In Cal. May 7

Northern California chapters of American Society of Insurance Management and CPCU will be joint sponsors of an insurance seminar May 7 at San Francisco. The theme will be "Current Challenges for the Insurance Industry." The meeting will be conducted in discussion groups.

Underwriters' Reports Expands

Underwriters' Reports, Boston inspection service, has opened offices in Maine and Vermont. The company now serves all of New England, metropolitan and suburban areas of New York City and New Jersey.

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Tenn. Groups Plan Information Office

A public relations committee has been formed in Tennessee to coordinate the public service activities of various associations in the state. The committee will launch Tennessee Insurance Information Office, the technical name of the speaker's bureau.

Other long range projects include continuing town inspections, a better agents' qualification law, development of insurance guides for buyers, mandatory driver education, vehicle in-

spection laws, insurance scholarships, periodic re-examination of drivers, and night schools for traffic violators.

Committee officers are Minor Crowl, president of Tennessee Capital Stock Insurance Assn., chairman; E. T. Gaither, president of Casualty & Surety Assn. of Tennessee, vice-chairman; and George Nordhaus, executive-secretary of Insurors of Tennessee, secretary. Other members are W. T. Parish Jr., manager at Nashville of U.S.F.&G.; Jack Elvis, president of Tennessee State Fire Prevention Assn., Karl Buschmann, National Assn. of Inde-

pendent Insurance Adjusters, and Lloyd Cheek, advertising director of Insurors of Tennessee.

The committee will meet periodically, as needed, and will study industry problems.

Frank H. Krause, partner of Krause & Hillman, Chicago adjusters, has retired and the company will be continued by Mr. Hillman as W. C. Hillman & Co. Mr. Krause plans to take an extended vacation on the west coast and in the northwest before returning to Chicago.

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NIAGARA FIRE INSURANCE COMPANY.....	Est. 1850
THE FIDELITY AND CASUALTY COMPANY OF NEW YORK.....	Est. 1875
NATIONAL-BEN FRANKLIN INSURANCE COMPANY.....	Est. 1866
COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.....	Est. 1909
THE METROPOLITAN CASUALTY INSURANCE COMPANY OF N. Y....	Est. 1874
MILWAUKEE INSURANCE COMPANY.....	Est. 1852
ROYAL GENERAL INSURANCE COMPANY OF CANADA.....	Est. 1906
THE YORKSHIRE INSURANCE COMPANY OF NEW YORK.....	Est. 1926
SEABOARD FIRE & MARINE INSURANCE COMPANY.....	Est. 1929

11 Information Offices In Action

The insurance business now has 11 "information" offices spread across the U. S. The first of them was Western Insurance Information Service, set up by the Pacific Coast companies several years ago. There are 10 more, some handling a single state and some a group of states.

An up-to-date list of these organizations and the head of the operating staffs follows:

Casualty Insurance Companies Serving Massachusetts, Boston—John O'Connor, executive secretary.

Illinois Insurance Information Service, Chicago—Thomas F. Reynolds, general manager.

Insurance Information Office of Connecticut, Hartford—Francis T. Ahearn, manager.

Insurance Information Office of New Hampshire, Concord—B. Cramton Carrick, president-secretary.

Insurance Information Office of Pennsylvania, Philadelphia—Ivan H. Peterman, manager.

Insurance Institute of Indiana, Indianapolis—Allen Dale, vice-president.

Michigan Insurance Information Service, Lansing—L. T. Matthews, manager.

Minnesota Insurance Information Service, Minneapolis—Thomas H. Swain, executive director.

Southern Insurance Information Service, Atlanta—W. Roy Ulrich, manager.

Southwestern Insurance Information Service, Dallas—F. Darby Hammond, executive secretary.

Western Insurance Information Service, Los Angeles—Albert H. Wood, executive director.

Mutual Bureau Revises Auto Rates In Neb., Utah

Mutual Insurance Rating Bureau has revised automobile BI & PDL rates for private passenger and commercial cars and division 1 garage risks in Nebraska and Utah, effective April 15. Private passenger car rates are decreased an average of 7.1% in Utah and increased 5.9% in Nebraska. Commercial car rates are decreased an average of 20% in Nebraska and 9.3% in Utah. Division 1 garage risks are decreased an average of 1.2% in Nebraska and 6.7% in Utah.

Chicago Adjusters Name J. L. Woell President

Adjusters Assn. of Chicago has elected James L. Woell of Underwriters Adjusting as president. Other new officers are Ralph K. Haigh, Keuter, Haigh & Gardner, vice-president; Jack Galloway, Frank L. Erion & Co., secretary, and Thomas Nelson, Western Adjustment, treasurer.

The association golf outing will be held June 11 at Elmhurst Country Club.

New Scott Wetzel Office

Scott Wetzel Co., independent adjusters of Salt Lake City, has opened its sixth office. The new branch is at Provo, servicing Utah County and southern Utah.

Metropolitan Casualty of America Fore Loyalty group has elected George A. Boyd, vice-president of America Fore, and Thomas M. Bancroft Jr., assistant to the president of Turner Halsey Co., New York textile firm, directors.

Life Insurance And Merchandising On Mo. Mutual Agents' Card

A program devoted in great part to life insurance and merchandising has been planned for the annual convention of Missouri Assn. of Mutual Insurance Agents May 7-8 at the Governor Hotel, Jefferson City.

Thursday Harry Greensfelder Jr. of Financial Planning Co., St. Louis, will tell how to build income through an integrated life sales program. He will be followed by a panel on life insurance. Panelists are William Tallmadge, New York Life, St. Louis, and Arthur L. Richmond, Financial Planning Co. Luncheon speaker William A. Stringfellow, assistant general manager of the national association, will discuss discrimination against mutual companies by "special interest groups." A business meeting will follow a talk by Gene Bradley, inland marine manager Lumbermens Mutual Casualty.

Friday morning Prof. Charles Lapp of Washington University will discuss merchandising of services in a competitive market, and an agents' panel on merchandising techniques will close the meeting.

Colo. Auto AR Plan Had 12,000 Applications In '58

Colorado Automobile Assigned Risk Plan, reporting on operations for the calendar year 1958, shows 12,261 new and renewal applications. The plan issued 7,057 policies on new assignments and 2,342 on renewal while rejecting 409. Applicants did not take 2,307 policies and 146 applications were dropped.

The governing committee handled 81 appeals, sustaining 35 rejections and overruling 24.

Leading writers of automobile BI in Colorado, on the basis of 1956 premiums, were State Farm Mutual Auto, Farmers Exchange, Truck Exchange, U.S.F.&G. and Travelers Indemnity.

R. G. Shurtleff is manager of the Colorado assigned risk plan.

Hardware Mutuals' 1958

Premium Income Was Up

Premium income of Hardware Mutuals of Stevens Point rose to \$90,535,885 in 1958. Assets increased to \$118,915,180 and policyholders' surplus rose to \$23,260,077. Dividends amounted to \$9,291,508.

During the year, Hardware Mutuals organized Sentry Life, entered Alaska and added boat coverage to its portfolio.

Symposiums Added To Florida Mutual Agents' Annual Card May 3-5

Symposiums for the 1752 Club, local and regional associations, adjusters, and company executives and general agents will be added to this year's program of the annual convention of Florida Assn. of Mutual Insurance Agents May 3-5 at the Robert Meyer Hotel, Jacksonville. Better communications, education and adequate public relations will be taken up by the discussion groups.

Principal speakers on the program will be Commissioner Larson of Florida; Roger Kenny, editor of U.S. Investor; Gayle Gupton, Third National Bank of Nashville; Henry Bean, president of National Assn. of Mutual Insurance Agents; and M. L. Landis, Central Mutual of Van Wert, O.

A panel-forum moderated by Mr. Bean will be held at Monday's session. Panelists will be Paul Ginger, State Auto Mutual, representing the companies; Harold Earley, Central Mutual agency, Cleveland, the agents; Perry Nichols, Miami attorney, the public, and Arch E. Northington, past president of National Assn. of Insurance Commissioners, the government.

Founders Names Beisang, McAleavey To New Posts

William C. Beisang and George E. McAleavey have been elected vice-presidents of Founders of Los Angeles. Mr. Beisang, in the insurance business nearly 33 years, joined the company shortly after its organization in 1946 as fire secretary and has headed the fire department for several years. He will now be administrative underwriting officer, exclusive of the group A&S department.

Mr. McAleavey began in insurance in 1931. He went with Founders in 1951, advancing to casualty manager and later casualty secretary. He has been in charge of the systems and procedures division for two years and assistant to the president. He will continue to head this division, as well as aid in general management and on special assignments.

Anchor Casualty Advances Jamieson In Underwriting

John H. S. Jamieson, underwriting manager, has been elected underwriting secretary of Anchor Casualty. He has been an insurance man since 1947 and has been with Anchor Casualty since 1954. He is president of Minnesota chapter of CPCU.



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1105 Hamilton St., Allentown, Pa.
HEmlock 5-3541

Reinsurance Department
309 West Jackson Bld., Chicago 6
WAAbash 2-7515

Mid-Union Elects New Management

C. E. Neff, mayor of Stronghurst, Ill., and president of the Bank of Stronghurst, has been elected president of Mid-Union Indemnity of Elgin, Ill. Mr. Neff also is owner of Neff Implement Co., and the Buick garage in Stronghurst. He will continue as a director of Mid-Union.

The election of Mr. Neff was part of a general reorganization of top management and directors, designed to strengthen operations.

Other new officers include Rodger M. Tauman, executive vice-president; Louis J. Pastor, vice-president; Bert W. Hurst, secretary and treasurer, and James L. Holly, assistant secretary and treasurer. Mr. Hurst, formerly vice-president and treasurer, continues as a director. Mr. Tauman is also with the Chas. V. Victor agency of Chicago, and Mr. Pastor heads Pastor & Co. of Chicago, a general agency of Mid-Union.

New directors are E. L. Trimm, Elgin, and Dr. Lee K. Bailey, Libertyville. Dr. Bailey is owner and operator of Libertyville Animal Hospital, president Libertyville Health Department and

president Lake County Veterinary Medical Assn.

Holdover directors are William E. Bettendorf, a Bettendorf, Ia., industrialist; Robert L. Holt, president of Elgin National Bank, and Dr. A. M. Orum, Carthage, Ill., a past president of Midwest Small Animal Assn. and Mississippi Valley Veterinary Medical Assn.

Mr. Neff said Mid-Union's reorganization is part of a move to solve problems created by too-rapid expansion since the company started business in 1956. Mid-Union specializes in long haul truck coverages.

Limiting Territory

Licensed in 35 states, including Alaska, Mid-Union now is confining operations to 13 states, primarily in the mid-west. The states are Arkansas, Arizona, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, West Virginia and Wisconsin.

A \$800,000 contribution to surplus has placed the company in a position to continue operations, Mr. Neff added, saying that Director Gerber of Illinois has approved the company's plan of operation.

Southern Agents Focus On Commissions

(CONTINUED FROM PAGE 1)

Factory Mutuals and the Improved Risk Mutuals on good risks that do not meet Factory Insurance Assn. standards? Should they continue to deny a market for the tremendous volume of business that is placed with London Lloyds? Should they do nothing to obtain some of the business on federal housing projects?" These questions puzzle Mr. Wilson.

Questions Company Action

He wondered why companies now say that the reason for the production cost allowance reduction is to place them and their producers in a more competitive position, when for 10 years they have limited agents in automobile volume and have withdrawn from agency after agency. He cannot understand why companies reduce homeowners rates beyond all reason and then cut commissions because "they say the new rates are too low to permit the former commission."

For the reasons cited, Mr. Wilson's loyalty is beginning to waver. He objects to reduction of his income and does not think agents deserve such treatment from companies. But he intends to keep plugging with the loyalty he has left, for new business that is there for the taking. His agency has grown since he bought it in 1948, and he expects it to expand on the basis of service.

The question of confusion over cancellation rules in connection with the new homeowners program was discussed at the executive session and a resolution was adopted requesting Multi Peril Insurance Conference to promulgate a uniform procedure which

will permit pro rata cancellation and rewriting only as of the first anniversary dates after the effective date of the new program in each jurisdiction. It was noted that one large agency cancelled several thousand old homeowners one day and wrote new policies literally swamping the rating bureau of the state involved.

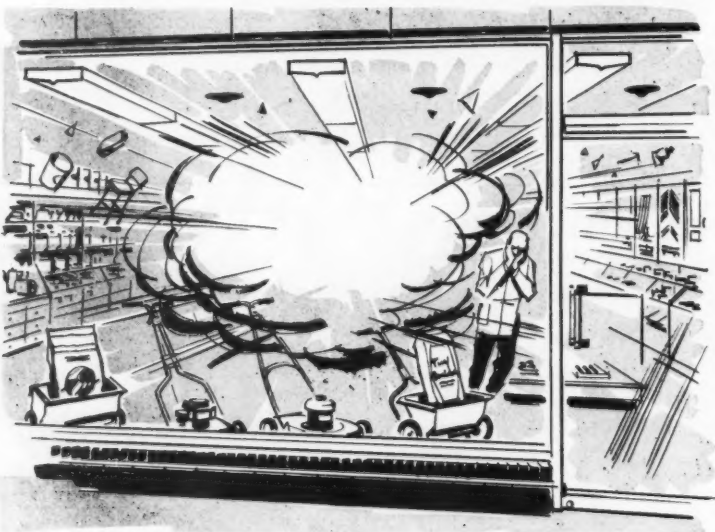
A panel on account selling conducted by the Alabama chapter of CPCU, suggested that business generally accepts the theory of entrusting one agent with responsibility for an entire insurance program and that the agent had better be equipped to do that job. It was pointed out that the agent has an obligation to advise his client of all exposures whether the agent has a market to cover them or not. Deductibles, large and small, are not contradictory to the theory of insurance or of risk management, in the panel's view.

Florida Wins Plaque

The plaque for outstanding public relations activity went to the Florida association whose continuing public service in the preparation of insurance guides for various groups of buyers was particularly cited. The association has completed guides for school boards, county commissioners and municipalities and is working on booklets for contractors, doctors and lawyers. The association has also reached 110% of its quota for the NAIA advertising program.

Automobile Claims Assn. members and guests toured the General Motors assembly plant in Linden, N. J., April 17.

Here's the broad coverage package policy for merchandise



BEST INSURANCE BUY for the merchant is the Commercial Property policy, the "all risk" package which is written to cover store furnishings, stock and merchandise for most retailers, wholesalers and distributors. This one policy wraps up all of the protection of separate policies now written to cover fire and extended coverage perils, burglary and theft, sprinkler leakage, water damage, and merchandise in transit, plus coverage features and options not available under separate policies.

While coverage of this type has been available to a few classes of dealers

under the inland marine forms, the Commercial Property policy extends the principle of "all risk" coverage on stock and merchandise—subject to reasonable exclusions and limitations—to virtually all non-manufacturing risks.

Eligible buyers will welcome the convenience and broadened coverage of the single, "all risk" package policy—the added security of Grain Dealers thoroughgoing loss prevention service. Direct benefits are greater safety for property; avoidance of costly shutdowns; savings in insurance cost through policyholder dividends.

Grain Dealers Mutual

INSURANCE COMPANY

Indianapolis 7, Indiana

Western Department: Omaha 2, Nebraska

FIRE • CASUALTY • AUTOMOBILE • INLAND MARINE

Swett & Crawford

Proposals For Handling Marine Cover In Europe Under Common Market

By L. TYTENS

At a gathering of Belgian insurance companies and brokers, Paul Nolla, president of the Groupement Français D'Assureurs Maritimes, explained the contemplated form of integration of the insurance business in the proposed European common market. A concrete proposal must be drafted by the working committees before the end of this year, he stated.

Consider From Two Angles

In accordance with the common market treaty, this has to be considered from two different angles: (1) Liberty of insurers to open underwriting offices anywhere in the six countries involved; and (2) liberty of brokers to offer their services to any one of the underwriters operating within the borders of the countries involved.

The first of these two liberties would carry in its wake a unified system of controls in accordance with which the control applied in any one country of the common market shall apply to all the transactions carried out within the territorial borders of the six countries; a determination of underwriting limits in relation to the assets of each underwriter, and a limitation of reinsurance on the business underwritten. It is supposed that the underwriter will not be allowed to reinsure more than 75% of the total business in the whole of the common market countries.

Will Watch Over-Riding

All markets within the borders of the common market are going to be thrown open to a large number of underwriters who will not only be able to accept risks based on their own assets but also on the guarantees at their disposal through reinsurance agreements. It may be concluded that much underwriting will be carried out with an eye on over-riding reinsurance commission. How often has it been stated that this is an unsound state of affairs which should be halted before marine and transport insurance can again be transacted on sound bases. If the proposed rulings are ultimately put into force, a splendid opportunity that could have operated in that direction will have been lost. We know of course that a limited number of risks cannot be placed in the home market, owing to the size of risk. Others are not covered in their home market because of competition, either as to rates or as to terms and limits of guarantee.

Believes In No Restriction

I have always thought and still do that there should not be any restriction on competition, as long as such competition is carried out on a sound basis. It would have been an easy matter, by allowing the second liberty (above) to apply only when and if the local market could not, owing to capacity, or would not, owing to rates and terms, of offer its insurance. Then brokers could apply to other markets either within the territorial limits of the countries of the common market or outside.

Under the contemplated regulation only outside facilities will be allowed, and, from a practical point of view, it is quite possible that ultimately all those negotiations, costing much time and plenty of money, will have one

result: Maintaining the position as it has been for time immemorial—London showing in the main the way to European underwriters.

Gets Injunction Against Alabama Contractor

Pacific Indemnity has been granted a temporary injunction against Glencoe Paving Co. of Etawah County in federal court at Birmingham, Ala. Glencoe Paving is restrained from transferring any equipment or materials or disbursing any funds received in payment for work under contracts bonded by Pacific Indemnity and will remain in effect until another hearing June 18.

Pacific Indemnity requested the injunction after filing suit against Glencoe, claiming it was in danger of sustaining losses under more than \$2 million worth of performance and indemnity bonds it had issued for Glencoe. The suit stated that certain events had occurred which indicated it might be damaged because of non-compliance by Glencoe with contracts. The contracts cover road work in a number of central and north Alabama counties.

Pacific Indemnity was required to post \$5,000 bond to cover any damages which might accrue to Glencoe in case its charges prove unfounded.

Pacific Indemnity claims that Glencoe "has failed to pay bills." The suit also names as defendants Hardin Construction Co., R. H. Hardin, a Gadsden business man, and Rex Edwards, a Glencoe official.

Tenn. Stiffens FR Law

The Tennessee legislature has passed amendments to strengthen the financial responsibility law, effective July 1. The amendments provide that a vehicle owner involved in an accident must prove that he carries the 5/10/5 minimum auto liability limits or post a corporate or cash bond from a minimum of \$500 to a maximum of \$15,000, depending on the seriousness of the accident.

If the person involved cannot get a release from all parties in the accident or obtain final court judgment in his favor, his license and plates will be revoked for two years. To retrieve his license, he will have to pay \$25 and maintain proof of financial responsibility for five years.

Where a person is injured or killed in an accident, the driver must establish financial responsibility within 48 hours. Otherwise his vehicle is impounded. Where a license is suspended for a traffic conviction or moving traffic violation, the driver must prove financial responsibility for the next five years or surrender his registration.

No. British In Mo. Shifts

James Gialdini, state agent, and W. A. Nicholas, special agent of North British in western Missouri, are now also supervising the metropolitan territory of Kansas City formerly under C. F. Banks, state agent. Mr. Banks has been advanced to a new position in the southern department at Atlanta.

Mr. Gialdini and Mr. Nicholas retain their headquarters at Kansas City.

Walker To Tenn. Field

John W. Walker Jr. has been appointed special agent for Tennessee by Aetna Casualty.

Farmers Of L. A. Elects Leavey Co-Chairman

Thomas E. Leavey, president of Farmers of Los Angeles, has been elected co-chairman with John C. Tyler. Mr. Leavey and Mr. Tyler founded the group 30 years ago.

Gay & Taylor Opens New Offices In N. C., S. C., Tenn.

Gay & Taylor Adjusters of Winston-Salem has added five offices, bringing to 42 the number operated. Three of the new offices are in North Carolina—at Concord, Salisbury and Waynesville. In South Carolina the new office is the sixth in that state, at Florence. The new office in Tennessee, the ninth there, is at Pulaski.

American Motorists Plans To Raise Capital

Stockholders of American Motorists will vote May 20 on a recommendation to increase capital stock to \$5 million. If approved, an additional 333,333 1/3 shares of \$3 par value stock will be issued. Half of it would be distributed to stockholders as a dividend, and the other half would be offered for sale to stockholders.

W. J. Perryman, president and founder of the Birmingham general agency bearing his name, was honored at a luncheon on the silver anniversary of the agency. Representative agents in five states conducted a new business campaign during the month preceding the anniversary.



Perfect Satisfaction

The satisfaction that agents feel in dealing with Public Service is not built on one factor. It takes a healthy combination. It takes confidence — speedy and sufficient service — and a pricing structure that has agent success in mind. Give us a call and let us discuss ways of making your satisfaction perfect.

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"There are no circumstances, however unfortunate, that clever people do not extract some advantage from them."

LA ROCHEFOUCAULD.

His face was red: his pocket nerve hurt when he discovered that one of his trusted employees had been collecting premiums and....., but he sold a lot of fidelity insurance using himself as the horrible example.

New Amsterdam
Business Company

BALTIMORE

NEW YORK

Agency Management And Agency Continuity Get Thorough Airing At Mobile Conference

Two speakers at Southern Agents Conference in Mobile devoted their attention to two key agency problems—management and perpetuation.

Floyd L. Rice of Warren, Pa., discussed management, and Dave Johnson of the Fisher-Brown agency at Pensacola, past president Florida association, dealt with continuity.

Takes Long Hard Work

Insurance agencies make a profit, but not in proportion to the investment in them, compared with other businesses, Mr. Rice said. It takes from five to seven years of long hours and hard work to build an agency from scratch, to say, \$110,000 of net premiums a year. The Connecticut agency cost survey showed that the net profit was 2% of the net premiums.

Consequently, Mr. Rice said, the problem of agents is to increase profits. One way to do this is to correct faults of agency management by reducing or eliminating hidden costs. There are many of these. A few of them are purchasing supplies and equipment, delinquent accounts, hiring and training personnel. Also, civic, religious, political and fraternal duties; service and country club memberships; attending meetings; employer and employee relationships; coffee breaks; sicknesses and vacations; opening the mail and doing the clerical work; special agent visitations; flat cancellations and too many companies and too small policies.

Conserve Time And Energy

Unless the agent gives the company more than \$6,000 of premiums a year, it is not profitable to the company, and the company is not important or profitable to the agent, he declared. He said he was not advocating the representation of a single company or single group—that would cost the agent his independence. But he indicated that it was foolish to represent too many companies.

One by-product of many company representation is visitation by too many special agents, without notice or invitation, and with nothing to offer. This should be discouraged, he said. Otherwise, they waste their companies' time and money and increase the agent's costs.

A great deal of fund raising for civic activities falls on insurance agents who, people think, are out and around, and have nothing else to do. He wondered if agents are doing more than their share of this type of work? Do the direct writers work on these campaigns? If they do, it is the exception rather than the rule. Those companies do not consider such work important

to their business. Consequently, the local, independent agent must make these contacts profitable.

Eliminate Carelessness

Mr. Rice recently was called in to advise an agency that started in 1949. It had purchased three agencies and now had a total of 3,800 accounts with a volume of \$215,000. It employed four

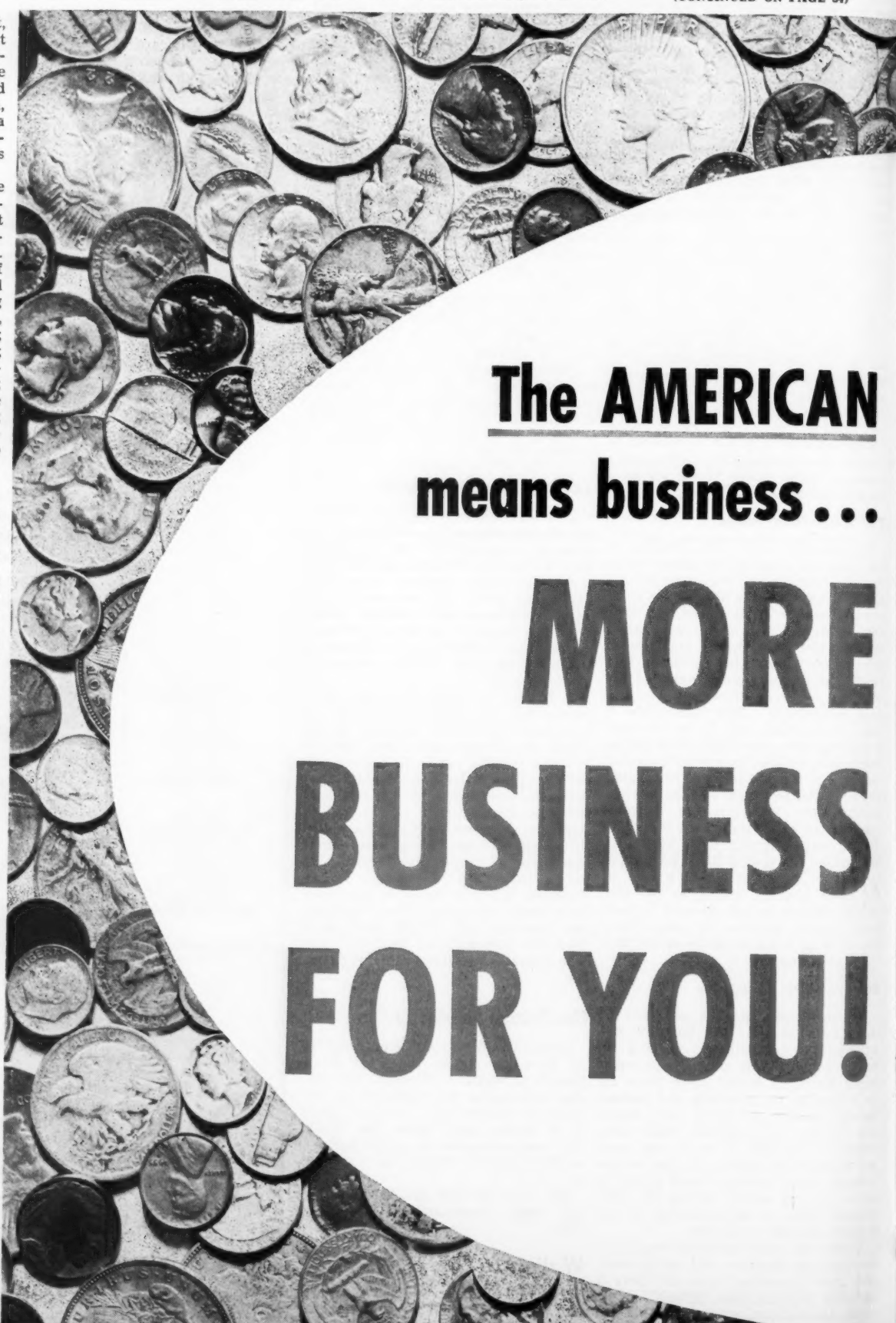
girls, one part time, one solicitor and the principal. The agency had 1,100 small accounts producing an average of \$5,000 a year in premiums; 800 unaid accounts, 350 of \$40 or less, most of them past due 45 days or more. Certainly the agency was losing money.

Policies in this agency were renewed automatically and mailed out. A quick survey of the first 80 small unpaid accounts revealed that 30 had their other insurance with direct writers and 15 with other local agents. Nine had destroyed their policies when they received them because they were not

ordered and not wanted. Five of the nine had replaced the agency's coverage with direct writers and four with other agents. Seven had moved away and left no address, eight had no other insurance to place, three of them were perhaps over-insured. In addition, 1. policies were cancelled for non-payment. Many of the 80 insured had never seen anyone from the agency.

The agent's secretary is an important person to the agency, and the agent should treat her accordingly, Mr. Rice pointed out. Usually her

(CONTINUED ON PAGE 34)



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New Midwest Manager, Two Others Named By Trinity Universal

E. B. Yates, Ohio manager, has been named midwest regional manager of Trinity Universal. He will direct operations in Indiana, Kentucky, Michigan and Ohio.

Charles A. Hardin was appointed Ohio manager. He was formerly underwriting supervisor at Columbus.

J. J. Hagood was named Indiana manager, with headquarters in Indi-

anapolis. He has been supervising underwriter in Indianapolis since 1956.

Mr. Yates is a veteran of 30 years in insurance. He joined Trinity Universal in 1947 and held supervisory positions in the home office before going to Columbus in 1954.

Mr. Hardin joined the company in 1948 as an underwriter in the home office, and moved to Columbus in 1952.

Mr. Hagood has been with Trinity Universal since 1947. After serving as a multiple-line underwriter in the home office, he was transferred to Tyler, Tex., in 1953 as manager.

Home Raises Aitken In Can., Yerger In Miss.

Home has appointed Robert S. Aitken resident secretary for Canada at Toronto. He joined the company in 1939 as a special agent in Seattle, and later had assignments in Washington and Montana, before he became manager for Canada in 1956.

Edward Yerger Jr., manager of the Mississippi office, has been appointed resident secretary at Jackson. He has spent his entire career with the company, beginning in 1920.

Marine Organization Elects Barker Head

Assn. of Marine Underwriters of the U. S. has elected Owen E. Barker, president of Appleton & Cox, president, succeeding Harold Jackson, president of William H. McGee & Co. Emil A. Kratochvil of Carpenter & Baker, and Thomas M. Torrey, of North America, were elected vice-presidents; Louis W. Niggeman, Fireman's Fund, Pacific Coast vice-president; A. M. Stevenson, Chubb & Son, treasurer-secretary, and Carl E. McDowell executive vice-president.

Mr. Jackson, in his report, emphasized the continuing and growing importance of maintaining sound relations with the government. He pointed out that under conditions of "cold war" the American marine insurance industry is of importance to the government. It is hoped that the government recognizes this fact and will help to preserve the maximum opportunity for the underwriters to grow and serve from a position of strength.

He outlined the association's continuing interest in working with International Chamber of Commerce and other organizations to persuade certain governments to remove existing restrictions upon free placing of transport insurance.

Fla. Bill Would Clarify Legal Area Of Department

A proposal to prohibit the insurance commissioner or department employees from having a financial interest in insurance companies or agencies, or from receiving anything of value besides their regular pay for any service rendered, will be laid before the Florida legislature this year. The proposal was recommended by Commissioner Larson, who said a law was needed to spell out the area where the commissioner and department employees could legally operate.

The proposal would not prohibit the commissioner or an employee from borrowing from an insurer through regular channels if the loan is adequately secured. It also would not prevent an insurer from acquiring or holding a loan or investment originally made by others. News stories early last year reported that Commissioner Larson had borrowed money from insurers under his supervision and owned stock in two Florida companies.

Reliable Raises Chestnut, Smith To Secretary Posts

Reliable of American Equity group has elevated John D. Chestnut to underwriting secretary and Frank L. Smith to assistant secretary. Mr. Chestnut has been assistant secretary since 1955, and Mr. Smith has been marine manager.

Entering the business in 1920, Mr. Chestnut had been with Fireman's Fund and Commercial Union before joining American Equity group in 1951. Mr. Smith, with the group since 1957, has had previous marine experience with Maryland Casualty and U.S.F.&G.

Nationwide To Pay 6% In Stock

Directors of Nationwide Corp. have declared two stock distributions of 3% each to be made in May and November, 1959. Last year Nationwide Corp. made a 5% stock distribution and paid 15 cents per share.

Nationwide Corp. is a holding company with large investment in Nationwide Life, National Casualty, Michigan Life and Northwestern National Life.

And here are the three main reasons why...

- 1 TOP-FLIGHT PERSONNEL**—in each American Branch Office you will find trained fieldmen and underwriters ready to give you the competent advice and help that will mean more business for you. Each Branch is a miniature "Head Office" in itself, offering speedy claim settlements, prompt policy-writing, expert engineering and premium audit service.
- 2 SELLING ADVANTAGES***—in many states The American is able to provide lines that incorporate distinct rating and coverage advantages. These features make your selling easier and will mean more business for you!
- 3 MULTIPLE-LINE FACILITIES**—American Producers with problems involving such lines as business interruption, marine risks, bonding or burglary (to name a few) call one phone number—their American Branch—for all the answers! Ample fire capacity, plus complete across-the-board underwriting facilities are features that will mean more business for you.

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The American Insurance Company
American Automobile Insurance Company
Associated Indemnity Corporation

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LIABILITY • ACCIDENT & HEALTH • INLAND & OCEAN MARINE
WORKMEN'S COMPENSATION • AUTOMOBILE



*The American has a booklet available describing its "Selling Advantages." Write for a copy from your American Branch Office or from the Head Office in Newark, New Jersey.

Editorial Comment

More Dangers Here Than On The Moon

There is one thing about distant places. They tend to fascinate the human mind, which furnishes them with imaginary attractions, much more than the local scene, which is cluttered with unattractive realities and unfinished chores.

Charles H. Brower, president of the New York advertising firm of Batten, Barton, Durstine & Osborn, had this in mind when he told the annual dinner of Greater New York Safety Council:

"We're spending millions to find out about the dark side of the moon, which, I predict, will show an amazing resemblance to this side. Are we going to zoom off into space before we do the best job we can right here? We need a major research project of find out the

unknown causes of many, many accidents," which cost almost \$12 billion last year. Most of that loss was preventable.

Besides finding out what causes and what will cure accidents, he said, a stepped-up program is needed to keep people from maiming and killing themselves senselessly while our research program is in progress. "We must get beyond the pamphlet and handbill stage. We must get into the big time, where the big accidents are happening, and stop them from happening." Too many Americans accept accidents, especially traffic accidents, as normal wastage, as deaths from the plague were accepted until about 100 years ago.—K. O. F.

Everybody's Doing It

The insurance business is still discussing all lines selling as though it were a new and novel concept. Actually, the principle is old hat in almost every other commercial enterprise, and the buying public has long since accepted it.

A good example of multiple line selling is the modern drug store where a customer can get indigestion at the soda fountain and buy a quick cure a few counters away. He can purchase anything in the "drug" store from rock and roll records to tranquilizers which is a pretty complete capsule comment on modern life. Bathing suits, toys, stationery, fountain pens, perfume and cosmetics are a few examples in a list of drug store merchandise which has been computed at 60,000 different items.

Department stores have been multiple line for many years. Even the display counters are strategically placed to lead the customer from one purchase to another. Every technique, short of tripping the patron at the exit, is used to see that he, and especially she, does not leave the store without buying a "package" of merchandise.

Even banks, often considered the fuddy-duddy of business, went into all lines selling years ago. At one time, the commercial and the savings bank were strictly separate operations. Now banks offer commercial and savings facilities, several types of checking accounts, personal, commercial and mortgage loans, Christmas, vacation, education and other special purpose funds, life insurance, savings bonds, credit cards, and other services.

No comment is necessary on supermarkets which supply every food need and a host of other merchandise as well. The consumer is conditioned to multiple line, one stop buying in all the areas mentioned as well as others.

Why then should the insurance business think it novel or difficult to sell the idea of commercial and personal protection on the same basis? The fact that other businesses sell all lines gives the producer a distinct sales advantage. He can break down the

resistance of business men who often say they spread their insurance program around. All the producer has to do is ask: "Why don't you buy coverage on the same principle that you sell your merchandise?" He can point out that just as the business man can give better, more economical service by wrapping up all the customer's needs, so too can the producer give superior insurance service on the same basis. This is an unanswerable argument because the producer will be using the business man's own sales pitch and procedure. It's a rare man who will deny his own brain child.

As for personal lines customers, it should not be difficult to point out that they go package shopping for everything else so why not do the same

thing for their most important purchase—protection.

The business might do well to get rid of the notion that it is pioneering in all lines selling. All it need do is latch on to an idea which was sold to the public many years ago and is now automatically accepted by practically every buyer and seller in the market place.—J.N.C.

Personals

Kenneth Ross, past president of National Assn. of Insurance Agents, is the new mayor of his home town, Arkansas City, Kan. Mr. Ross had been elected to a two-year term on the city commission and was then elected mayor for the coming year.

Winner of the Little Miss Muffin contest in the greater Cincinnati area is nine-year-old Patricia Sue Keifer, daughter of **H. R. Keifer**, state agent



of Hanover at Cincinnati. Patricia represented Cincinnati at the national contest in Washington, where she and her mother were guests of the local bakers association for an expense paid trip. Mr. Keifer also accompanied the group. The finalists, all between the ages of 6-10 years, were sponsored by their neighborhood bakeries.

Deaths

CHARLES J. MONTGOMERY, 70, retired agent at Rock Island, Ill., died. He operated the Montgomery agency from 1917 until 1958 when he sold his business to Miss Helen Stombs. Mr. Montgomery was president of Rock Island Assn. of Insurance Agents from 1935 to 1944 and in 1934 was chairman of the public relations committee of Illinois Assn. of Insurance Agents.

RAYMOND B. OTT, 62, superintendent of agents of Casualty Mutual, died at Chicago. In the business about 40 years, he had been with Lumbermens Mutual Casualty before joining Casualty Mutual in 1945.

JOHN G. OWEN, 70, chairman of Central Mutual Casualty of Kansas City, died at his home in Worthington, Ind. He had been in insurance since 1913 when he went with Utilities Indemnity Exchange of St. Louis as a bookkeeper. He was made assistant manager in 1920 and secretary and general manager in 1925. Two years

Stocks

By H. W. Cornelius, Bacon, Whipple & Co.,
135 S. LaSalle St., Chicago, April 21, 1959

	Bid	Asked
Aetna Casualty	197	202
Aetna Fire	75	77
Aetna Life	245	250
American Equitable	43	44½
American (N. J.)	27	28
American Motorists	19	21
American Surety	20½	21½
Boston	35	36
Continental Casualty	131	134
Crum & Forster	77	79
Federal	64	66
Fireman's Fund	55½	57
General Reins	79	81
Glens Falls	39	41
Great American Fire	43	44½
Hartford Fire	190	195
Hanover Fire	41	42½
Home of N. Y.	52	53½
Ins. Co. of No. America	139	141
Jersey Ins.	36	37½
Maryland Casualty	40	41
Mass. Bonding	33½	35
National Fire	123	127
National Union	43	44½
New Amsterdam Cas.	50½	52
New Hampshire	48	50
North River	44	45½
Ohio Casualty	31	34
Phoenix, Conn.	83	85
Prov. Wash.	21	22
Reins. Corp. of N. Y.	19¾	21¼
Reliance	49	51
St. Paul F. & M.	59	61
Springfield F. & M.	31¼	32½
Standard Accident	60½	62
Travelers	89	91
U. S. F. & G.	86	88
U. S. Fire	31	32½

The NATIONAL UNDERWRITER



The National
Weekly Newspaper of
Fire and Casualty Insurance

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CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director. George C. Roeding, Associate Manager. Arthur W. Riggs, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3396. Paul Bles, Resident Manager.

DALLAS 1, TEXAS—325 Interurban Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-3725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. David Chapman, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 26, IND.—5634 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1688 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beckman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgenuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Robert L. McMullen, Pacific Coast Manager.

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later he resigned to organize Automobile Club Exchange of St. Louis and served as its first general manager.

In 1932, Mr. Owen joined Central Mutual Casualty as agency director and vice-president of the S. L. Casey Co., managers of Central Mutual. He was elected president of both companies in 1941 and chairman in 1952. His son, John B. Owen, is president of both companies.

CHARLES A. WILKERSON, 60, Rome, Ga., agent, died at his home after a prolonged illness.

GEORGE W. SWALLOW, retired secretary-treasurer of New Hampshire Fire group, died. Director of the companies since 1938, he retired in 1952 after 52 years of service, but remained active as a member of the executive committee.

HAROLD S. EVANS, 63, chairman and former president of Allied Mutual Casualty of Des Moines, died of a heart ailment in his home. He joined Allied Mutual in 1929, the year it was founded. He held a succession of executive positions and was president for more than 20 years. He retired as president in 1957, but remained as chairman and supervisor of investments.

Mr. Evans was a director of Town Mutual Dwelling and Iowa Mutual Tornado and was a past president of Iowa Assn. of Mutual Insurance Associations.

OTTO H. GAEDKE, 80, founder of Gaedke-Miller agency of Milwaukee in 1911 and president until his retirement three years ago, died of a heart attack. He was a member of the governing and rating committee of Wisconsin Compensation Rating Bureau for 35 years.

WILLIAM J. CONSTABLE, 68, retired president of Excess Ins. Co., died at a rest home in Manchester, N. H. While serving as Massachusetts state official, he set up the state's automobile rate system. He later held various positions with Lumbermens Mutual Casualty.

Md. Court Upholds Legality Of UJF

Maryland court of appeals has held that the state unsatisfied claim and judgment fund law is constitutional, and collecting the fund in part by assessing insurers half of a per cent of auto liability premiums in the state is within the state's police powers. The fund is similar to that in New Jersey. It was tackled in court by Allied American Mutual Fire, an American Mutual Liability affiliate, Lumbermen's Mutual Casualty, an automobile fleet owner, and a motorist. The court cited California Automobile Assn. vs Maloney, in which the Supreme Court held that the state could require an insurer to write policies on uninsured motorists and exclude the company from the state if it refused. The Maryland court added that, as the Maloney case made plain, the state could take over auto liability insurance completely, or could compel private insurers to insure motorists assigned them. If so, the Maryland court ruled, the state properly can make the lighter demands on them that the UJF act calls for.

Atomic Energy Hearing

WASHINGTON—The joint committee on atomic energy will hold public hearings on operations of the AEC indemnity act and the advisory committee on reactor safeguards on April 29-30. Sen. Anderson is chairman.

Statutory Fire Policy Is Held Not Part Of Jeweler's Block

New York's highest tribunal, the court of appeals, unanimously has reversed a determination of the appellate division which had caused concern to the insurance business by holding that marine and inland marine policies, with respect to losses by fire, were subject to the standard fire policy law.

The appellate division had held that no breach of warranty contained in a proposal for a jeweler's block policy, but not provided for in the statutory fire policy, would be available as a defense to the insurer, where the loss was by fire. The case was Woods Patchogue Corp. vs Franklin National.

The company had successfully upheld its breach of warranty defenses at the trial of the action. That court submitted to the jury the question of whether or not the warranties had been breached, and the jury rendered a verdict against insured. The trial court rejected insured's contention that the standard fire policy controlled and hence had refused to charge the jury that it must disregard any warranties not provided for in the fire policy statute. Insured appealed. The appellate division, relying on decision of the eighth U.S. appeals court, construing the insurance law of Minnesota in a similar case, reversed the judgment and upheld insured's contentions. Two justices dissented.

The insurer then appealed. The high court reinstated the judgment in favor of the insurer.

The plaintiff, J. Burke, a retail jeweler, sustained a loss of \$22,045 as the result of fire on the premises. The insurer resisted payment of the claim under a jeweler's block policy. The insurer set forth five defenses based upon breaches of warranties contained in the application for a jeweler's block policy. This proposal was annexed to

and made a part of the insurance contract.

Though the jewelry firm did not dispute that these warranties were breached, it claimed that the defenses were ineffectual to preclude recovery where the loss occurred as the result of fire. It urged that the standard fire policy, which does not include the warranties, was controlling, and was incorporated in the jeweler's block policy.

Under New York law, the high court opined, a jeweler's block policy may insure all risks of loss or damage to jewelry. Insurance against loss by fire is one of the risks which may be covered by this type of marine policy. The legislature enumerated and defined the different kinds of insurance which may be underwritten in New

(CONTINUED ON PAGE 37)

'59 Agents & Buyers Guide Is First Truly Multi-Line Reference

A section devoted exclusively to life insurance is featured in the 1959 edition of The Agents & Buyers Guide, making this publication the first truly multiple line survey handbook.

All Chapters Revised

All of the chapters of the Guide have been revised extensively, but the information on life insurance represents the first substantial excursion into life insurance information for the property-casualty insurance man. Its addition to the Guide is in line with

(CONTINUED ON PAGE 37)



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IAC Sets Company Ad Contest Rules

Insurance Advertising Conference has issued rules and regulations for the 1959 company advertising competition open to class A members. All material entered must have been used in 1958.

Entries may be submitted in 11 categories: Complete campaigns; consumer magazine ads; business magazine ads; insurance journal ads; newspaper ads; direct mail; display advertising; company publications; radio, TV, and miscellaneous promotional material. The number of entries is unlimited, but a \$4 fee must accompany each one. Judges are Barrett Brady of Kenyon & Eckhardt, New York advertising agency; Robert K. Farrand of the Saturday Evening Post, and Richard Neff of Advertising Age.

In conjunction with the company competition, a separate award for the best press releases will be made this year for the first time. Entrants must submit three copies of all releases to the trade press in 1958. A committee of trade paper editors will be judges.

All entries for the regular and the press release competition should be sent to John R. Eklund, assistant public relations manager of Phoenix of Hartford, chairman of the company awards committee. Competition closes May 15. Awards will be made at the annual meeting of IAC at Williamsburg, Va., June 21-24.

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General Agents' Card Set For Annual Meeting

Archie M. Slawsby, Nashua, N. H., president National Assn. of Insurance Agents, will be the lead-off speaker at the annual convention of American Assn. of Managing General Agents, May 18-20 at Essex House, New York City.

Other first day speakers are W. Rankin Furey, president Berkshire Life on "Life Insurance in the General Agency Picture," and Harold K. Phillips, public relations manager Assn. of

Casualty & Surety Companies, on "Strength Through Sound Communications."

A panel discussion on "What Is a Modern Managing General Agency?" will be held Tuesday morning. The moderator will be Barney Vanston, Dallas, a former AAMGA president. This will be followed by talks by George Faunce III, president of Afco, on "Today's Premium Budgeting and How It Affects the Managing General Agent," and Gilbert L. Kerr, vice-president, Recording & Statistical Corp., on "Electronic Accounting in

Insurance."

At the final session, Wednesday morning, Lothar Sudekum, U. S. manager Union Re, will discuss "The Function of the Reinsurer in a General Agency." William H. Brewster, National Bureau, will follow with an analysis of the bureau as the stabilizer of casualty insurance.

Raleigh (N. C.) Insurance Exchange has elected Robert G. Yancey Jr. president, Earl Johnson Jr. vice-president, and Mrs. Fab Pendleton, secretary-treasurer.

Aetna Casualty Grads Hear Agents' Merits

The well trained agent is still the best medium for merchandising insurance,



Duy Hutchison

Duy Hutchison, Bloomsburg, Pa., agent, told students of Aetna Casualty's sales course at the graduation dinner at Hartford. Mr. Hutchison, a 1951 alumnus, said that while some worthwhile merchandising ideas have been developed, they can only supplement the efforts of the agent.

Television messages, mail-order programs, and store counters can never replace the man who offers his clients the special and individual service for which the independent agent is known, he said. An informed prospect is almost always receptive. It is the agent's duty to keep himself abreast of new developments in the field, and to pass this information about his product along to prospective clients.

The class was led by Richard Haude, Cleveland. Other blue ribbons for high scholastic standing went to Robert Haase, Chicago; Charles L. Brink, Kansas City; J. B. Turner, New Orleans; Eskel Buckland, Hartford; Sheldon Klein, New York, and Gordon Willoughby Jr., Bloomfield, Conn.

Gold ribbons for outstanding sales techniques were awarded to Messrs. Brink, Turner Willoughby, Klein and Buckland, and to John L. Creed, Fayetteville, N. C., and Robert Saltzman, Tulare, Cal.

McCue, Alsop & Elliott, Richmond general agency, has appointed O. Mitchell McCullough Jr., former A&S supervisor in Virginia of American Casualty, manager of its A&S department.



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Our booklet, "What The Businessman Should Know About Fire Insurance" (100 pages of valuable information) will also be appreciated by your clients.

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tact your nearest Bituminous branch or the home office and get the complete Bituminous story.

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1958 Direct Premiums, Losses For Fire Lines In Illinois

Crop-Hail

	Direct Premiums \$	Direct Losses \$
Country Mutual	4,800,535	1,376,400
Farmers Mutual Hail	1,014,344	323,559
Home	768,650	178,074
Aetna Fire	381,090	117,300
Hartford Fire	361,206	162,411
State Farm F.&C.	338,865	68,075
Great American	258,655	120,529
Fidelity-Phoenix	241,967	78,624
National Fire	236,928	98,686
Continental	208,951	66,413

	Direct Premiums \$	Direct Losses \$
Agricultural	28,763	18,451
American	170,612	65,580
Anchor Casualty	54,599	11,049
Boston	32,945	11,571
Fireman's Fund	124,284	46,873
Home F.&M., Cal.	52,198	18,357
Ins. Co. of No. Am.	191,904	49,993
National Farmers Union	61,189	18,647
New York Fire	178,912	35,337
Niagara Fire	82,348	14,900
North River	82,143	23,547
Reliance	27,986	4,140
St. Paul F.&M.	34,127	5,372
Springfield F.&M.	197,676	63,978
Transcontinental	26,775	9,212
United States Fire	110,860	34,382
Westchester Fire	93,228	40,113

Fire

	Direct Premiums \$	Direct Losses \$
Home	6,257,320	4,546,871
Country Mutual	3,842,554	1,694,730
Hartford Fire	3,839,871	2,097,301
National Fire	3,389,812	1,483,609
Aetna Fire	3,280,357	1,464,046
Mfrs. Mut. Fire	3,277,770	3,464,539
Ins. Co. of No. Am.	3,029,881	1,887,659
American	2,711,063	1,811,880
Protection Mutual	2,614,191	1,807,719
Continental	2,540,819	1,405,974

Addison Farmers Mut.	207,326	94,125
Aetna Casualty	1,230,147	445,957
Affiliated F.&M.	112,042	7,680
Agricultural	339,287	267,943
Albany	123,506	48,947
Allstate	404,812	111,765
American Auto	558,223	280,326
Am. Casualty	363,098	100,427
Am. Central	315,239	212,672
Am. Druggists	92,150	28,582
Am. Employers	27,137	1,531
Am. Equitable Assur., N.Y.	711,274	661,231
Am. Hardware Mut.	111,192	97,070
Am. Home	302,127	212,212
Am. Indemnity	43,409	16,817
Am. Marine & General	37,185	43,774
Am. Mfrs. Mut.	122,262	18,236
Am. Merchants Mut.	92,283	54,675
Am. Motorists	122,681	10,570
Am. National	135,467	133,116
Am. Premier	25,715	28,043
Am. States	325,345	87,862
Am. Reciprocal	119,751	222,740
Am. Surety, N.Y.	280,266	53,321
Am. Union, N.Y.	55,731	14,324
Am. Universal	30,499	8,157
Anchor Casualty	32,501	8,123
Arkwright Mutual	304,643	55,182
Atlantic Mutual	67,806	13,310
Atlas Assurance	525,245	255,935
Auto-Owners	72,942	42,086
Badger Mutual	502,553	314,370
Bankers & Shippers	173,870	38,233
Berkshire Mut. Fire	46,946	9,848
Blackstone Mutual	529,956	37,487
Boston	526,092	387,978
Boston Mfrs. Mut.	1,113,936	614,411
Brotherhood Mutual	118,232	9,869

Direct premiums written and direct losses paid for fire insurance in Illinois are shown in the accompanying tables. Lines shown include fire, allied lines, crop-hail, multiple peril and inland and ocean marine, Workmen's compensation, BI liability (not auto), auto BI, auto PDL, auto PHD, aircraft PHD, PDL (not auto), fidelity, surety, glass, burglary and theft, boiler & machinery, and A&S lines were shown last week. Each of the lines reported on shows the business only if direct premiums exceeded \$25,000. For the lines of general interest, the 10 leading companies in premiums are shown at the head of the list in bold face type in order of premium volume; the rest of the companies are listed in alphabetical order. Figures are taken from page 14 of the annual statements of companies as reported to the Illinois department. Direct premiums and direct losses reflect results exclusive of reinsurance transacted, and thus are not generally acceptable as indicating a company's loss ratio. Direct premiums are the gross new business of a company before reinsurance accepted or ceded.

	Direct Premiums \$	Direct Losses \$
Buffalo	48,925	75,517
California	95,938	109,301
Camden Fire	97,818	21,799
Cannex Exchange	204,007	9,771
Centennial	422,846	176,860
Central Mutual	68,733	23,003
Century	83,360	37,896
Chicago	115,604	22,850
Church Fire	25,271	4,227
Church Mutual	50,608	35,907
Citizens of N. J.	812,494	534,227
Commercial Standard	38,441	4,498
Commercial Union	323,102	171,944
Commercial Union Fire	211,776	115,663
Commonwealth, N.Y.	304,036	175,782
Continental Casualty	180,208	706,444
Connecticut Fire	500,187	178,017
Cornbelt	229,307	123,477
Cream City Mutual	109,982	81,819
Detroit F.&M.	171,768	135,645
Dubque F.&M.	79,710	35,907
Dow Jones Gr. Farmers Mut.	354,212	189,915
Economy Fire & Cas.	152,113	35,679
Empire State	60,230	98,064
Employers Fire	162,052	58,544
Employers Liability	28,842	6,327
Employers Mut. Cas.	175,643	140,479
Employers Mut. Fire	152,570	19,099
Equitable F.&M.	208,719	83,212
Excelsior, N.Y.	65,633	23,902
Farmers Auto, Pekin	247,488	106,566
Farmers Elev. Mut. Liab.	30,038	40,078
Farmers Fire	40,793	23,964
Federal Mutual	59,112	25,344
Fidelity-Phoenix	1,894,553	955,232
Fire & Casualty, Conn.	30,316	3,057
Fire Exchange, Cal.	72,530	47,581
Fireman's Fund	2,067,929	1,222,929
Firemen's of Newark	2,348,404	901,813
Firemen's Mutual	729,101	342,224
First National of Am.	221,990	89,491
Freeport	141,588	88,842
Fulton	176,290	84,408
General Acc'dent	709,212	167,007
General of Seattle	593,510	258,625
Glens Falls	29,691	16,663
Globe Indemnity	153,591	107,363
Globe & Republic	418,285	68,927
Grain Dealers Mut.	46,747	14,147
Granite State Fire	2,418,954	1,076,223
Great American	49,465	32,644
Great Central	33,323	74,905
Great Northern	572,678	378,129
Gulf	705,351	352,581
Hardware Dealers Mut.	1,314,230	78,924
Hawkeye-Security	219,175	50,005
Holland America	88,152	62,717
Home F.&M., Cal.	153,025	107,820
Home Owners Mut.	208,476	
Illinois	132,823	
Ill. National Mut. Fire	248,184	
Ill. National	127,342	
Independent Mut. Fire	472,737	
Indiana Lumber. Mut.	425,271	
Industrial Mut.	314,431	
Institutional	150,326	
State of Pennsylvania	111,915	
Interstate Fire & Cas.	289,867	
Iowa Hardware Mut.	143,502	
Iowa Mutual	116,514	
Jersey	71,951	
Kansas City F.&M.	228,754	
Liberty Mutual	32,207	
Liberty Mutual Fire	401,757	
Liverpool & London	350,715	
London Assurance	435,554	
London & Lancashire	614,979	
Lumbermen's Mut. Cas.	688,067	
Lumbermen's Mutual	109,927	
Lumbermen's Und. Allian.	75,943	
Manhattan F.&M.	292,749	
Market Men's Mutual	54,905	
Maryland Casualty	348,594	
Massachusetts F.&M.	115,640	
Mercantile, America	134,157	
Mercants Fire, N.Y.	339,345	
Merchants Fire, Colo.	86,370	
Merchants & Mfrs., N.Y.	142,507	
Merchants Property, Ind.	150,575	
Mercury Mutual	361,400	
Metropolitan Casualty	70,987	
Metropolitan Chicago	109,020	
Michigan Mut. Liab.	45,319	
Millers Mutual, Alton	884,686	
Millers National	388,888	
Mill Owners Mutual	40,825	
Millwaukee	948,283	
Minneapolis F.&M.	132,250	
Minnesota Farmers Mut.	25,379	
Monarch	226,772	
Mt. Carroll Mut. Fire	173,374	
National Auto & Cas.	49,072	
National Ben Franklin	179,482	
National Farmers Union	26,400	
National Surety	115,425	
National Union Fire	956,153	
New Amsterdam	175,298	
Newark	183,917	
New England	229,430	
New Hampshire Fire	276,818	
New York Fire	521,541	
New York Underwriters	669,928	
Niagara Fire	1,150,416	
No. British & Mercantile	282,153	
Northern Assurance	224,238	
Northern of N.Y.	468,705	
North River	785,089	
Northwestern F.&M.	169,501	
Northwestern Mutual	301,381	

	Direct Premiums \$	Direct Losses \$
Northwestern National	1,127,737	546,647
Norwich Union Fire	50,970	16,640
Ohio Casualty	196,157	43,928
Ohio Farmers	303,881	222,603
Old Colony	250,173	211,428
Pacific of N.Y.	314,060	138,228
Pacific National	631,887	359,537
Palatine	32,052	2,570
Paramount Fire	144,864	157,304
Pearl	254,083	168,669
Pennsylvania Fire	890,769	311,281
Philadelphia Mfrs. Mut.	94,801	13,170
Phoenix Assurance	556,357	363,292
Phoenix, Hartford	1,527,239	611,996
Planet	144,385	188,310
Potomac	120,264	75,993
Provident of N.Y.	52,688	14,754
Providence Washington	242,588	144,061
Queen	328,993	183,507
Reciprocal Exchange	39,335	5,922
Reliable	49,189	22,894
Reliance	792,760	419,598
Republic	605,784	179,286
Reserve	159,056	16,693
Retail Lumber, Inter-Ins.	53,253	452
Rochester American	202,958	141,889
Royal Exchange	171,094	52,385
Royal, Ltd.	1,126,032	643,739
Safeguard	651,189	338,022
St. Paul F.&M.	1,466,801	707,779
St. Paul Mercury	107,078	127,563
Seaboard F.&M.	118,197	17,175
Security, New Haven	339,324	167,010
Security National	163,766	41,003
South Carolina	58,799	33,048
Springfield F.&M.	1,448,253	740,972
Standard Accident	256,041	33,811
Standard Fire	461,039	256,820
Standard Fire, N. J.	279,133	121,906
Standard, N.Y.	193,627	341,136
Standard Marine	60,255	11,082
State Farm Fire & Cas.	904,887	358,842
Steel	61,541	
Stuyvesant	161,945	53,343
Sun of N.Y.	203,286	89,881
Sun Ins. Office	374,348	197,157
Switzerland General	36,352	5,367
Transcontinental	234,797	130,425
Travelers Indemnity	1,406,993	744,078
Trinity-Universal	488,142	221,087
Twin City Fire	129,232	105,933
Valley Forge	25,332	19,053
Underwriters	43,508	57,415
Union Auto	25,570	15,844
United Benefit Fire	66,555	20,167
United Fire	297,973	38,465
United States Cas.	45,763	19,737
U.S.F.&G.	1,043,081	778,660
United States Fire	1,877,615	1,097,135
Universal Underwriters	194,470	119,807
Union & Phenix	39,404	67,164
Wabash Fire & Cas.	57,777	8,949
Washington F.&M.	32,293	4,266
Washington General	58,314	17,563
West Bend Mutual	522,891	207,157
Westchester Fire	937,704	578,393
Western Assurance	88,511	64,314
Western Fire	259,209	161,391
Western Millers Mut.	26,580	14,164
Wolverine	44,196	23,459
World F.&M.	42,033	11,354
Yorkshire	267,666	143,271
Zurich	173,603	27,585

Extended Coverage

	Direct Premiums \$	Direct Losses \$
Home	2,187,325	1,037,300
Country Mutual	2,031,341	1,114,418
Ins. Co. of No. Am.	1,175,681	441,249
Hartford Fire	1,467,502	642,952
Springfield F.&M.	1,448,253	740,972
Aetna Fire	1,593,726	634,549
National Fire	1,293,726	538,869
American	1,043,519	474,098
Firemen's of Newark	925,646	269,470
Continental	786,822	197,183
Addison Farmers Mut.	97,447	64,871
Aetna Casualty	535,333	157,678

"I carry Country Mutual Coverages"

Thousands of Illinois farmers use Country Mutual Insurance Company coverages—Auto, Liability, Fire, Extended Coverage, Crop Hail—to protect their farm and farming operations. Their trust and confidence in Country Mutual Insurance Company has helped it grow into one of the leading insurance companies in the state of Illinois, as illustrated by the statistics on this page.



COUNTRY Mutual
INSURANCE CO.
"One of the Country Companies"



THE MARK OF NAIA AGENTS



"Your **INDEPENDENT** Insurance Agent serves you First."

The word **INDEPENDENT** in your emblem slogan has important significance. It tells the insurance buying public that you are a special kind of agent—that you conduct your own business free from outside ties that bind your actions. You should take pains to explain to your clients and prospects that this enables you to sell him selected insurance written by companies you, of your own accord, have chosen to represent and that you receive no salary from any of these companies. This is a distinct advantage over those agents who are in fact salaried employees of one specific company and must sell that company's policies only.

Protection is the real product you are selling. It comprises not only Indemnity for actual insured financial loss but such important elements as: Fair and just settlement in the letter and spirit of the policy, Prompt payment, and Convenient and helpful claim service. Since companies and their policies are not identical, the insurance buyer benefits in buying from the Independent agent who is free to use companies that in his knowledge and experience render full and complete protection service.

The companies of The Commercial Union Group enjoy the highest standing as agency companies. Their practices and performance under their policies consistently conform with their belief that to serve the public well, the agent must be served well by a company he represents.

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TRINITY UNIVERSAL INSURANCE COMPANY
Dallas, Texas

	Direct Premiums	Direct Losses		Direct Premiums	Direct Losses
	\$	\$		\$	\$
Agricultural	117,193	64,237	Standard Accident	91,774	16,086
Albany	59,073	25,065	Standard Fire	215,358	76,038
Allstate	306,672	70,325	Standard Fire, N.J.	129,331	61,816
American Auto	171,708	47,308	Standard, N.Y.	85,085	124,625
Am. Casualty	479,958	49,586	Standard Marine	34,676	5,380
Am. Central	106,055	70,044	State Farm Fire & Cas.	535,225	243,631
Am. Equitable Assn., N.Y.	312,927	121,251	Stuyvesant	49,594	489
Am. Home	91,161	29,112	Sun of N.Y.	88,473	25,461
Am. Indemnity	25,368	9,270	Sun Ins. Office	107,133	197,157
Am. Mfrs. Mut.	33,038	7,239	Transcontinental	91,593	45,967
Am. National	45,327	52,382	Travelers Indemnity	530,668	226,591
Am. States	157,810	55,683	Trinity-Universal	184,513	43,628
Am. Surety, N.Y.	69,361	5,055	Twin City Fire	29,265	9,417
Atlas Assurance	97,497	54,637	U.S.F.&G.	393,412	183,753
Auto-Owners	40,498	12,310	United States Fire	759,054	394,755
Badger Mutual	168,923	55,595	West Bend Mutual	233,436	93,820
Bankers & Shippers	66,676	21,780	Westchester Fire	410,401	427,103
Boston	160,639	76,414	Western Assurance	43,384	24,230
Brotherhood Mutual	83,755	3,962	Western Fire	115,247	57,928
California	30,100	25,936	Yorkshire	87,221	18,728
Camden Fire	32,865	11,400	Zurich	51,391	8,095
Centennial	91,077	36,069			
Century	46,863	15,531			
Citizens of N.J.	209,565	21,971			
Commercial Standard	26,112	8,874			
Commercial Union	105,006	37,220			
Commercial Union Fire	60,340	20,115			
Commonwealth, N.Y.	126,411	40,265			
Connecticut Fire	172,253	35,577			
Cornbelt	117,739	55,646			
Cream City Mutual	41,138	12,010			
Detroit F.&M.	36,011	14,949			
Downers Gr. Farmers Mut.	33,714	18,728			
Dubuque F.&M.	168,327	75,357			
Economy Fire & Cas.	82,721	39,347			
Employers Fire	53,254	27,056			
Employers Mut. Cas.	68,171	16,915			
Employers Mut. Fire	39,018	8,770			
Equitable F.&M.	70,251	32,738			
Excelsior, N.Y.	30,135	14,940			
Farmers Auto, Pekin	132,694	72,413			
Federal Mutual	32,755	40,184			
Fidelity-Phenix Fire	754,143	309,177			
Fire & Casualty, Conn.	25,911	5,252			
Fire Exchange, Cal.	49,618	12,174			
Fireman's Fund	689,277	254,520			
First National of Am.	169,850	60,196			
Freepoint	114,987	31,444			
Fulton	61,892	31,033			
General Accident	70,644	24,859			
General of Seattle	310,230	124,856			
Glens Falls	273,900	103,948			
Globe & Republic	85,158	29,222			
Grain Dealers Mut.	29,365	12,075			
Great American	702,000	285,557			
Gulf	43,612	53,643			
Hanover	280,084	119,935			
Hardware Dealers Mut.	313,865	295,218			
Hawkeye-Security	124,188	64,540			
Home F.&M., Cal.	53,754	17,845			
Home Owners Mut.	152,978	41,143			
Illinois	84,697	42,335			
Illinois Mut. Fire	104,310	28,169			
Ill. National	53,782	22,561			
Independent Mut. Fire	315,156	8,822			
Indiana Lumber, Mut.	122,719	66,114			
Institutional	52,447	8,733			
State of Pennsylvania	90,887	43,370			
Interstate Fire & Cas.	96,698	17,200			
Iowa Hardware Mut.	31,080	26,862			
Iowa Mutual	46,598	26,215			
Jersey	30,534	7,527			
Kansas City F.&M.	112,305	35,359			
Liberty Mutual Fire	90,879	19,003			
Liverpool & London	95,179	55,438			
London Assurance	105,121	19,325			
London & Lancashire	251,166	82,692			
Lumbermen's Mut. Cas.	126,315	18,164			
Lumbermen's Mutual	37,213	16,352			
Manhattan F.&M.	89,845	44,769			
Maryland Casualty	106,392	41,753			
Massachusetts F.&M.	34,273	23,871			
Mercantile, America	53,201	34,547			
Merchants Fire, N.Y.	165,553	53,129			
Merchants Fire, Colo.	65,185	19,553			
Merchants & Mfrs., N.Y.	53,884	46,412			
Merchants Property, Ind.	58,671	55,869			
Mercury Mutual	74,611	7,692			
Metropolitan Casualty	32,376	140,179			
Millers Mutual, Alton	236,117	36,254			
Millers National	104,241	189,527			
Milwaukee	425,275	15,121			
Minneapolis F.&M.	29,656	90,189			
Monarch	112,696	24,155			
Mt. Carroll Mut. Fire	56,515	17,801			
National-Ben Franklin	81,226	20,290			
National Surety	32,368	25,136			
National Union Fire	214,499	75,693			
New Amsterdam	96,305	11,026			
Newark	67,517	33,611			
New England	68,645	25,718			
New Hampshire Fire	106,426	38,310			
New York Fire	246,385	103,343			
New York Underwriters	247,204	199,786			
Niagara Fire	390,802	131,060			
No. British & Mercantile	92,218	24,155			
Northern Assurance	75,786	11,399			
Northern of N.Y.	322,297	96,012			
North River	319,268	305,392			
Northwestern F.&M.	50,063	28,899			
Northwestern Mutual	138,772	37,868			
Northwestern National	496,236	150,301			
Norwich Union Fire	26,261	46,245			
Ohio Casualty	99,460	19,471			
Ohio Farmers	202,543	84,230			
Old Colony	64,942	33,868			
Pacific of N.Y.	126,415	34,457			
Pacific National	303,646	122,112			
Paramount Fire	92,831	45,693			
Pearl	123,194	55,919			
Pennsylvania Fire	358,279	135,127			
Phoenix Assurance	164,962	86,995			
Phoenix, Hartford	518,278	124,440			
Planet	44,184	47,375			
Potomac	47,940	15,478			
Providence Washington	85,512	36,970			
Queen	130,273	61,172			
Reliance	265,360	100,746			
Republic	449,029	153,915			
Reserve	40,147	56,806			
Rochester American	57,921	26,144			
Royal Exchange	79,583	142,506			
Royal, Ltd.	284,406	74,296			
Safeguard	265,906	179,768			
St. Paul F.&M.	647,459	21,500			
St. Paul Mercury	31,050	13,324			
Scottish Union	37,703	102,263			
Security, New Haven	150,968	20,369			
Security National	72,798				
Standard Accident	91,774				
Standard Fire	215,358				
Standard Fire, N.J.	129,331				
Standard, N.Y.	85,085				
Standard Marine	34,676				
State Farm Fire & Cas.	535,225				
Stuyvesant	49,594				
Sun of N.Y.	88,473				
Sun Ins. Office	107,133				
Transcontinental	91,593				
Travelers Indemnity	530,668				
Trinity-Universal	184,513				
Twin City Fire	29,265				
U.S.F.&G.	393,412				
United States Fire	759,054				
West Bend Mutual	233,436				
Westchester Fire	410,401				
Western Assurance	43,384				
Western Fire	115,247				
Yorkshire	87,221				
Zurich	51,391				

Other Allied Lines

Homeowners Mult. Peril

Ins. Co. of No. Am.	4,280,389	918,831
Home	1,438,919	462,486
Aetna Fire	1,018,311	390,243
Hartford Fire	765,331	216,460
National Fire	741,527	372,164
Travelers Indemnity	656,339	225,137
Phoenix, Hartford	541,903	188,841
American	520,627	335,366
General of Seattle	473,299	128,711
State Farm Fire & Cas.	477,008	92,119
Agricultural	57,808	49,530
Allstate	444,026	55,148
American Auto	243,461	118,890
Am. Casualty	300,760	75,374
Am. Central	52,998	43,722
Am. Equitable Assur., N.Y.	124,607	33,363
Am. Home	33,699	26,176
Am. Mfrs. Mut.	58,004	77,717
Am. Motorists	87,502	41,243
Am. States	352,252	90,656
Am. Surety, N.Y.	45,354	22,233
Anchor Casualty	70,140	18,658
Atlantic Mutual	47,693	21,686
Atlas Assurance	59,811	20,207
Auto-Owners	52,291	7,912
Badger Mutual	233,980	78,178
Bankers & Shippers	89,306	75,911
Boston	81,899	69,505
Centennial	131,478	69,505
Citizens of N.Y.	122,773	95,154
Commercial Union	55,803	16,351
Commercial Union Fire	39,755	9,445
Commonwealth, N.Y.	127,857	35,339
Continental Casualty	53,745	35,339
Connecticut Fire	205,869	60,068
Continental	134,652	31,017
Country Mutual	40,082	794
Cream City Mutual	32,816	4,126
Dubuque F.&M.	164,828	37,528
Economy Fire & Cas.	79,255	11,891
Employers Fire	96,663	52,055
Employers Mut. Fire	50,063	9,945
Equitable F.&M.	93,077	76,678
Farmers Auto, Pekin	75,234	58,251
Federal Mutual	26,417	4,082
Fidelity-Phenix	154,383	67,942
Fire & Casualty, Conn.	50,460	1,513
Fire Exchange, Cal.	60,211	7,185
Fireman's Fund	458,520	154,000
Firemen's of Newark	350,905	123,060
First National of Am.	111,639	29,892
Freepoint	77,498	15,396
General Accident	90,716	77,681
Glens Falls	417,410	110,322
Globe & Republic	55,122	9,946
Great American	402,941	162,182
Gulf	208,996	23,314
Hanover	133,844	27,230
Hardware Dealers Mut.	290,746	74,900
Hawkeye-Security	59,064	12,967
Home F.&M., Cal.	27,478	26,635
Illinois	42,038	7,290
Ill. National	58,917	19,641
Indiana Lumber, Mut.	84,261	20,076
State of Pennsylvania	29,332	6,800
Interstate Fire & Cas.	47,731	7,445
Jersey	89,004	7,471
Kansas City F.&M.	36,857	2,580
Liberty Mutual Fire	221,878	51,651
L. & L. & G.	49,775	28,731
London Assurance	49,880	34,179
London & Lancashire	90,797	26,692
Lumbermen's Mut. Cas.	117,146	3,861
Lumbermen's Mutual	35,535	29,8

	Direct Premiums	Direct Losses
No. British & Mercantile	\$ 28,018	\$ 5,973
Northern Assurance	55,590	29,038
Northern of N.Y.	243,911	76,621
North River	140,339	43,478
Northwestern F&M	27,388	47,277
Northwestern Mutual	237,769	72,165
Northwestern National	400,132	151,368
Ohio Casualty	116,185	14,156
Ohio Farmers Indemnity	131,055	81,334
Old Colony	32,237	46,011
Pacific of N.Y.	92,210	26,734
Pacific National	140,929	56,699
Paramount Fire	61,846	17,130
Pearl	96,734	69,536
Pennsylvania Fire	182,577	83,410
Phoenix Assurance	136,532	46,264
Polomac	52,939	9,990
Providence Washington	88,674	25,906
Queen	60,996	28,547
Reliance	435,491	75,326
Republic	205,312	31,540
Rochester American	36,917	10,167
Royal Exchange	29,876	13,338
Royal, Ltd.	194,628	73,067
Safeguard	109,287	48,999
St. Paul F&M	327,451	130,241
Scottish Union	33,014	9,418
Security, New Haven	97,752	57,033
Security Mut. Cas.	40,191	5,820
Springfield F&M	321,855	111,477
Standard Accident	130,781	14,955
Standard Fire, N.J.	39,814	5,342
Standard, N.Y.	47,049	45,321
Sun of N.Y.	88,851	22,164
Sun Ins. Office	61,022	32,378
Transcontinental	67,355	17,366
Trinity Universal	217,674	46,740
U.S.F. & G.	463,668	256,149
United States Fire	241,663	73,690
Universal	39,699	11,537
West Bend Mutual	225,034	64,862
Westchester Fire	102,465	47,988

	Direct Premiums	Direct Losses
Western Fire	\$ 107,430	\$ 35,805
Wolverine	29,142	5,821
Yorkshire	67,374	35,087
Zurich	46,531	17,642

Commercial Mult. Peril

Aetna Casualty	53,687	15,465
Aetna Fire	351,292	195,756
American Casualty	164,536	6,513
Centennial	141,344	117,295
Fireman's Fund	140,065	25,055
Great American	59,610	32,877
Hartford Fire	33,053	16,294
Home	34,406	94,239
Ins. Co. of No. Am.	271,416	197,970
Liberty Mutual Fire	38,097	2,869
L. & L. & G.	27,063	6,713
Lloyds, London	24,451	39,335
National Fire	169,852	79,581
Springfield F&M	26,708	12,101

Ocean Marine

Fireman's Fund	593,358	357,919
Ins. Co. of No. Am.	518,445	358,660
Aetna Fire	361,934	155,116
Continental	310,490	101,417
Centennial	281,160	132,013
Fidelity-Phenix	279,260	71,490
Home	337,454	127,453
National Union Fire	308,946	269,592
Westchester Fire	196,326	125,494
Providence Washington	186,031	63,630
Aetna Casualty	97,024	87,205
American Casualty	15,612	6,924
American	156,668	16,150
Atlantic Mutual	152,792	75,366
Firemen's of Newark	71,294	42,616
General of Seattle	126,383	52,068
Glens Falls	163,083	96,526
Hartford Fire	97,399	44,870
Marine, Ltd.	53,384	3,184
National Fire	26,674	19,946
New Hampshire Fire	81,865	33,261
New York Underwriters	61,487	43,331
New Zealand	33,974	20,411
North River	47,276	9,747
Phoenix Assurance	106,548	98,181
Phoenix, Hartford	34,108	16,514
Reliance	136,388	57,968
St. Paul F&M	44,561	16,212
Travelers Indemnity	28,682	10,415
Universal	58,638	36,129
Union Marine & General	86,035	60,899

Inland Marine

Hartford Fire	1,967,519	993,631
Home	1,950,218	1,319,829
Aetna Fire	1,932,027	742,654
Fireman's Fund	1,413,533	866,331
National Fire	1,159,835	637,755
St. Paul F&M	1,093,691	743,529
Ins. Co. of No. Am.	1,036,933	449,759
American	903,892	489,166
Aetna Casualty	896,707	399,671
Phoenix, Hartford	805,273	558,284
Agricultural	114,547	101,669
American Automobile	100,646	108,724
American Casualty	125,345	73,416
American Central	43,704	31,208
American Employers	36,017	15,628
American Mfgs. Mut.	46,082	39,367
American Motorist	96,864	27,636
American Surety	77,361	22,121
Atlantic Mutual	43,618	18,880
Badger Mutual	30,860	39,604
Boston	204,209	133,948
Centennial	501,208	168,617
Century	288,713	19,601
Citizens of N. J.	367,403	200,380
Commercial Union	369,714	59,582
Commonwealth Union Fire	35,399	21,112
Commonwealth, N. Y.	55,861	29,464
Continental Casualty	615,208	750,329
Connecticut Fire	231,499	174,349
Continental	183,678	45,614
Country Mutual	70,243	13,457
Dubuque F&M	78,499	22,144
Empire State	35,361	90,421
Employers Fire	428,927	176,085
Employers Liability	49,985	11,692
Employers Mutual Fire	48,524	21,288
Equitable F&M	147,854	61,926
Fidelity & Deposit	31,757	19,583
Fidelity-Phenix	199,999	66,225
Firemen's of Newark	200,016	83,641
General Accident	30,916	10,870
General of Seattle	189,745	134,932
Glens Falls	153,897	82,647
Granite State Fire	62,568	41,616
Great American	393,119	169,372
Hanover	60,436	32,940
Hardware Dealers Mut.	168,993	110,783
Hawkeye-Security	37,515	12,060
Holland-America	44,479	35,455
Home F&M, Cal.	85,874	56,731
Home	1,950,218	1,319,829
Indemnity Marine	64,112	54,506
Indiana Lumbermens Mut.	26,316	18,376
State of Pennsylvania	30,693	20,020
Interstate F&C	142,228	32,141
Liberty Mutual	75,461	13,765
Liberty Mutual Fire	283,269	115,676
L. & L. & G.	46,772	54,480
Lloyds, London	541,732	317,076
Lumbermen's Mut. Cas. ..	79,411	5,037
Lumbermen's Mut.	27,103	10,047
Manhattan F&M	169,157	96,034
Marine, Ltd.	28,043	219
Maryland Casualty	76,341	52,651
Massachusetts F&M	30,988	21,430
Merchants Fire, N. Y.	117,631	117,301
Millers Mutual, Alton	45,899	11,219
Millers National	353,273	196,845
Milwaukee	53,319	33,054
National Surety	166,602	99,587
National Union Fire	317,428	185,850
New Amsterdam	70,378	93,005
Newark	30,253	6,409
New England	28,148	26,889
New Hampshire Fire	61,592	36,066
New York Underwriters ..	167,720	48,124
Niagara Fire	264,595	170,441
No. British & Mercantile ..	30,718	14,541

citizens group appointed to investigate high auto liability rates. Recommendations included establishment of a merit rating plan to reward drivers with clean records. Mr. Larson has contacted National Bureau for information on how Florida could become eligible for a plan similar to that in California.

Other recommendations in the report included passage of highway safety legislation to be introduced in the current legislature; a realistic adult driver training program, and an amendment to state laws to make public hearings on proposed auto rate boosts mandatory. Mr. Larson noted that he has already instituted such hearings and that he will ask the legislature to revise the insurance law.

New Mutual Insurer Formed At Chicago

Articles of incorporation have been approved for the formation of Adams Mutual Ins. Co. at Chicago. Norman J. Schlossberg is president; Gerald L. Eisenberg vice-president and secretary, and Lee A. Manna, treasurer.

Fla. Eyes Auto Merit Plan

Commissioner Larson of Florida has endorsed a report of a Dade County

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A Safe Driving Plan for America

A plan for creating a new means of achieving safety on the highways, developed by William P. Henderson, is presented in this and eight succeeding issues of THE NATIONAL UNDERWRITER. Mr. Henderson is president of Henderson Tire Co. of Detroit. He has become familiar to insurance men as the author of a number of articles on auto styling as it relates to insurance rating and

losses. His plan for safe driving is not necessarily endorsed by THE NATIONAL UNDERWRITER, but is presented as an original means of attacking this important problem. The series began in the April 3 issue.

It is the firm and honest conviction of 99 out of 100 motorists that they are good drivers. About the same percentage feel that they are careful drivers. These are sincere beliefs and honest appraisals. In the majority of cases they are backed up by the statement that they have never had an

accident. Or they say they never caused an accident. On this score they have no knowledge and are not qualified to speak. To the most outspoken person who insists he is a safe driver ask the question: "Can you be specific and tell me one case where your safe driving prevented an accident?" The answer will be vague because they do not feel that is an obligation of safe drivers. As long as that general feeling exists in the vast majority of our 70 million licensed motorists we can anticipate little improvement in accident reduction.

Proof that the majority are not safe drivers is found in insurance records and could also be found in state government records if they were established on a uniform national basis. At present there are sufficient records to prove the fact that the vast majority fall far short of being either good or careful drivers.

There is today a group of some five million safe drivers that can be set apart. The inter-city truck and trailer drivers, by careful selection and continuous training have become good drivers, and by reason of rules, mental attitude and experience they are careful drivers. Insurance records prove this. If the other 65 million drivers had an accident record per miles of driving that matched this group, accident and injury frequency would fall almost two thirds and the \$9 billion cost drop accordingly.

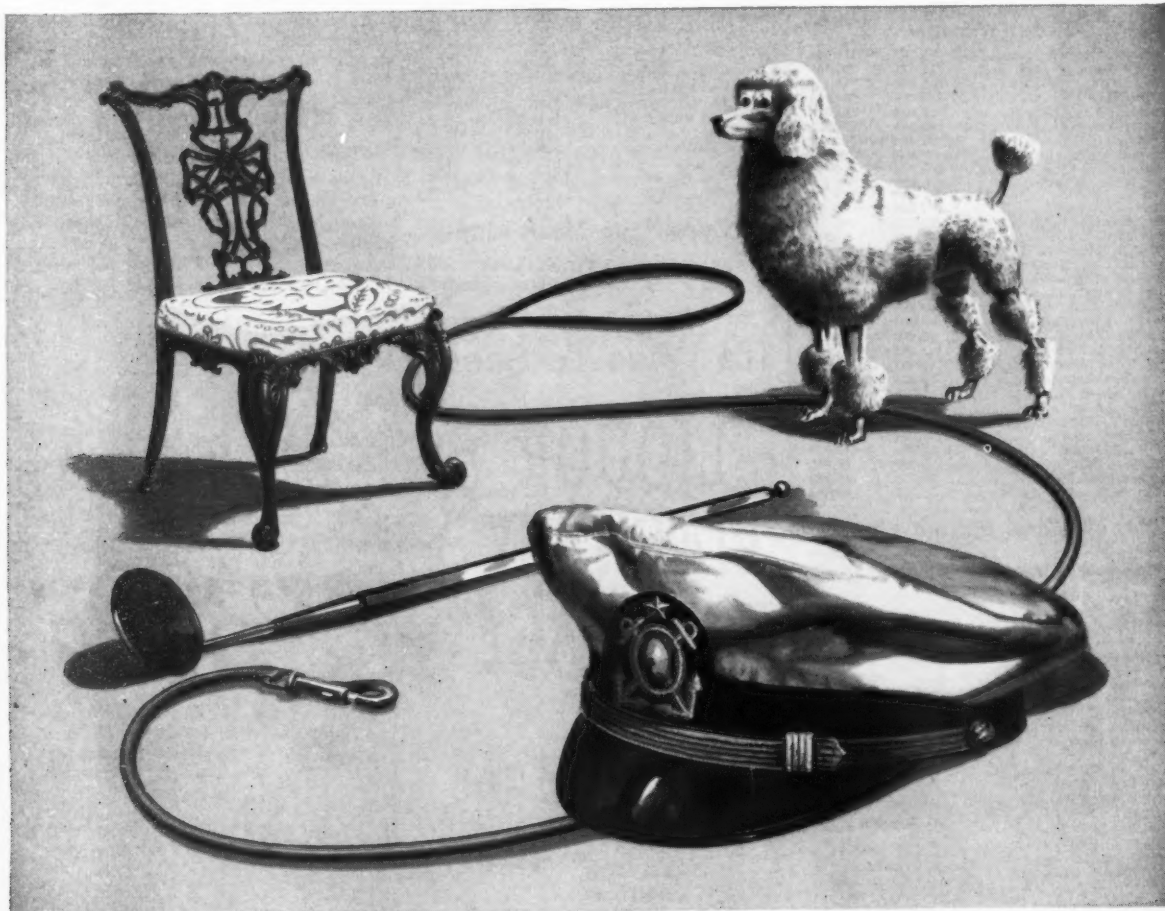
At the other end, rated perhaps as the poorest classification, are the assigned risk motorists. These are the poorest and most careless, hence the most unsafe drivers, proven by their high accident frequency. At least they are the ones who are found out or whose accident records have caught up with them. The constantly growing and increasing number of assigned risks is evidence that we have hundreds of thousands of them driving and waiting for accident records to catch up with them. It is a slow and costly process because they pay little more for insurance coverage and yet have an accident record three to four times above average.

We probably have about three million assigned risks, but it can be estimated that several million are using the highways. It is logical to assume they contribute hundreds of millions of dollars to the annual accident cost. Almost without exception assigned risk drivers feel they are good drivers and are simply victims of circumstance. By their own comparison with others they feel they are better than most. After all, these are public roads for all to use. Sooner or later, through competitive conditions or underwriting shenanigans, some insurance company will write them at regular rates and they are vindicated in their own minds.

In between the high group and the low group fall all the other millions of drivers. All of them feel they are near the top in driving performance. The law of averages proves they fall in a wide range. No improvement can be anticipated until driving abilities are rated and the entire philosophy of driving a car is changed. A permit to use the public highways is an earned performance privilege to share the use of our highways.

For the first time we have a method to destroy the false illusion of highway driving perfection that is part and parcel of everyone behind the wheel.

Part IV of the safe driving plan, describing the idea of a permit to use the highways, will appear next week.



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Field Men May Get Incentive Bonuses

Guy Ferguson, head of Guy Ferguson Personnel, Chicago, told Assn. of Casualty & Surety Managers of Cincinnati that insurance companies are planning to use incentive arrangements for branch managers, field men and other members of the production staff. Mr. Ferguson said he expects some such plans will be in use "soon."

Speaking of the necessity for efficiency at the supervisory level, Mr. Ferguson included in his talk his popular 25-question test of the "super Q," the "supervisory quotient."

N. J. Court Holds UJF Must Be Guarded Against Fraud

The appellate division of New Jersey superior court has ruled that while the state's Unsatisfied Claim & Judgment Fund must be liberally construed, it must also be protected against fraud and abuse.

The opinion was part of the court's reversal of awards of \$3,412 and \$1,810 to Donald Myers and his wife, Anita, of Paterson, who were injured in an accident there while riding a motorcycle. The defendants were Charles Cave Sr. and Charles Cave Jr. The father was driving the car which struck the Myerses, although his license had been revoked in 1957.

The UJF board was notified by the injured couple. It assigned Zurich to defend the claim. Under the law, when the Caves retained personal counsel, Zurich, while investigating the case as was required, did not defend the action in court. When the case went to trial, however, the Caves did not defend the action, and the trial court awarded judgment to the Myerses.

The board counsel contended that judgment had been entered by default. The appellate division agreed with this view in its reversal.

W. Va. 1752 Clinic Set

West Virginia 1752 Club will hold its spring educational clinic May 4-5 at Stonewall Jackson Hotel, Clarksburg. Robert Endicott of Harford Mutual will speak on inland marine coverages; Harry Barengo of Central Mutual on proposed changes in West Virginia homeowners policies; A. L. Boyce of Shelby Mutual on family auto policy and auto liability coverages; Henry Brodish of State Auto Mutual on burglary coverages and 3-D policies; Donald Wentz of Shelby Mutual on general liability and comprehensive personal contracts, and C. Goodman Jones, president of Mutual Insurance Agency, on agency management and office procedures.

Ark. Mutual Agents Elect W. E. Terry

LITTLE ROCK—William E. Terry, Little Rock, was elected president of Arkansas Assn. of Mutual Insurance Agents at the annual meeting. He succeeds Mrs. Ann Hoffman of Russellville.

Other officers named: J. C. McGoogan, Crossett, and Otto Kirkpatrick, Forrest City, vice-presidents, and W. D. Roddy Jr., Warren, secretary-treasurer.

Speakers on the two-day program included Commissioner Harvey G. Combs; James C. O'Connor, executive editor F.C.&S. Bulletins; Walter Plangman, manager Arkansas Inspection & Rating Bureau, and Miss Fannie Hardy, executive assistant commissioner.

Chester Lauck, executive assistant Continental Oil Co., was speaker at the opening luncheon. A banquet and dance brought activities to a close.

Bigger And Better Court Verdicts Are On The Way, Speaker Says

Certain bills now before the Illinois senate seem to be primarily designed to bring about "bigger and better" court verdicts, Hugh Dillon, Chicago Motor Club, told the April meeting of Casualty Adjusters Assn. of Chicago.

In his brief report to the association on the status of insurance legislation, Mr. Dillon enumerated various bills. "Lifting of the death limit lid" would be particularly unfortunate, he said.

Another report was given by Bernard Rosencranz, Goldblatt Brothers. This consisted of explications of recent claim cases of general interest.

A film, "The Man Who Didn't Walk," which has been given considerable note by bar and medical associations, was also shown.

The annual golf outing will be held June 3 at St. Andrews Country Club.

N. C. Bill Would Help Some Out Of State Insurers

A bill has been introduced in North Carolina to permit out of state insurers owning or leasing buildings in the state for regional home offices for 10 years or more to be taxed as domestic companies. A regional home office was defined in the bill as one performing home office services for an area embracing three or more states. The premium tax is now 1½% on domestic companies and 2½% on companies incorporated in other states. The bill has been referred to the house finance committee.

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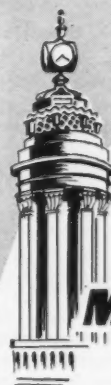
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Sees Some Agent Dangers As Opportunities

(CONTINUED FROM PAGE 1)

are responsible for the free insurance, has been closely examined in recent months and the results have been circulated.

It long has been recognized that flat cancellations place an undue and unjustifiable burden on the independent agency system of distribution. But even today few companies have done anything about it. The president of one company which was able to get out of the red and into the black on automobile in one year by adopting a careful program of underwriting, getting a signed application, and requiring cash with the application, states that getting cash with the application for the full premium had no noticeable effect in reducing losses. But, he declares, it has had a substantial effect in reducing company expenses—because, among other reasons, it eliminated flat cancellations.

The survey conducted by National Assn. of Insurance Agents showed that flat cancellations, excluding spoiled policies and endorsements, run 2.6%. However, insurers contend this figure is at least 10 and possibly 15%—and on the same basis; that is, exclusive of spoiled policies and endorsements.

Competency Of Agents Varies

One company conducted an analysis of all its business in January. This excluded the Pacific Coast, where most policies are written by companies rather than by agents. The study covered more than 85,000 items. Of the total 10.02% were cancelled flat, ex-

cluding spoiled policies and endorsements.

The difference here is in quality of agents. The NAIA survey is accurate. But it elicited replies from the very best operated agencies. The company studies are accurate and reflect the true general picture. Consequently, whatever changes are initiated by the companies to eliminate flats have to be installed because of all agents, not just the best ones.

It has been suggested that cash with the application would promptly wipe out flat cancellations and free insurance. Agency insurers generally are not apt to adopt this practice for all business. However, it is not an impossibility for automobile, or for all personal lines in agencies that are giving their companies the most trouble.

Discount For Early Payment

Another method that is being tried in certain areas to eliminate flat cancellations is for the insurer to allow the agency a discount of 6% for payment of all balances by the tenth of the month following the month in which the premiums are due. Then the agent is charged \$5 per flat cancellation. This is said to work. It has the merit of embodying the essential of a good working relationship, give and take.

Whatever is necessary, the agency companies will have to do it in order to eliminate this waste of money.

However, here, as in commission levels, contingents and accommodation acceptance of business, the agent entitled to special consideration is likely to get it—if he represents insurers capable of appreciating the difference. They tend also to be the best ones.

3. Competition.

It is now abundantly clear, if it weren't before, that the so-called non-agency system companies are going to go right on rolling up premiums at a rate that is almost what they predetermine they want. In spite of one of the worst underwriting cycles in the history of the automobile business, the leading non-agency insurers have continued to grow at a 15 to 20% speed. Last year was no exception. In the process it is apparent that they are getting somewhat better quality business. They are moving into other fields and are doing well there, or expect to.

Competitive Devices Not Restricted

Competition means the same thing in insurance as it does in any other business—that someone is out there who wants to take your business away from you. But there are differences in the character of the competition. In addition to the peculiarities of property and liability insurance marketing, which always involve the question of whether the insurer wants to make the sale or not, there are other differences. In insurance there are no patents or copyrights. There are few trademarks. These law-protected devices are used in many other businesses to guard the product against competition or to promote sales.

In insurance the only protection of business against loss to competitors is to work harder, more intelligently and with better management. Perhaps that is one of the reasons that this is one of the easiest businesses in the world to get into. But to be really successful and survive in it calls for the highest kind of talent, responsibility, energy, direction and cerebration.

It is characteristic of competition



"OUR AGENCY IS EXACTLY NORMAL....THE SURVEYS SHOW THAT 4 1/2 AGENTS OUT OF EVERY SEVEN ARE AGGRESSIVE AND ENERGETIC."

that it resembles a chess game. The winner doesn't win—the loser loses. This means that very often, perhaps more often than otherwise, there is no direct fight for business. One company loses it—by not taking care of it, by mishandling it so that it has to retire and let someone else have a go at it. Much of the story of insurance competition in the U. S. has been of this kind: Sawmills in the northwest, factories, cannerys, department stores, a lot of workmen's compensation.

Some of the largest companies you represent have taken advantage of bad underwriting cycles to accumulate business. They have come out of every bad cycle larger, stronger than ever.

They didn't "take all that business away from companies that wanted it and knew well enough what to do with it so that it was worth the effort of hanging on to. Much of it they won by default, when the companies that had it were forced to let go of it.

Witness the rise of specialty automobile companies, agency and exclusive agent. Much of the business they have today they didn't compete for at all—at least not in the sense that they had to wrest it from someone else. It was there; no one else had it, or wanted to hang on to it. So these companies put it on the books.

Customer Must Pay His Way

How often do you get a chance to compete directly, toe-to-toe, for a piece of business, either a risk that is leaving you or one coming in?

Consequently, in insurance the company and its agent have to start today the moves they are going to make to meet competition in order actually to do so—five years from now.

There are other practices and problems of which you ought to be fearful enough to do something about—underinsurance and inadequate limits, which are too prevalent, even in the commercial field. You no longer can afford to coddle the customer with non-essential services. You have to make him pay his way with more coverages, adequate amounts of coverage and prompt payment for them. Why? After a long period in which commission percentages have risen, you face a long period in which they are going to remain fixed and even to go down.

Economy Needed On All Sides

What of the things you should quit worrying about?

1. Don't be afraid of life.

Independent agents have bristled at the approach of the life system. There will be more of this. Yet it appears to be one thing that will help them meet the rising competitive tide that menaces them.

The trouble is that the combination of fire and life marketing implies an

immediate threat, whereas competition will only slowly ruin the independent agent by attrition. The appearance of life threatens more work, changed routines, and a contrast in the commission payment pattern.

Basically the long term economic reality is that the personal insurance buyer cannot afford to support two, three, or even four agents. If one agent is selling him life, another A&S, a third automobile, and a fourth his homeowners, how can any one of the agents do more for him than mail him a renewal?

If only three agents place personal coverages on one insured, that insured is bearing costs three times as great as he should. He is paying three office rentals, three utility charges, three office staffs, three selling costs, and (if the agents are fortunate) three net profits.

Agent Stands To Gain

But there is a positive side to all lines development. The agent who handles all coverages for his client has the opportunity to study his insurance problems and needs enough to understand them and therefore be able to prescribe for them. It is hard to see how he can afford to spend enough time on any one insured to know what his insurance problems are unless he is getting all of his business. This is old-fashioned account selling. But it has a difference today. Life insurance and A&S are coming to be considered a part of such selling, and this concept will be advertised and merchandised so thoroughly in the days ahead that it will become a common thing.

The competition for agents will be heightened and not reduced by the influence of life distribution methods on fire and casualty. If an agent is worth cultivating to a relationship almost of exclusive representation, he is going to be worth competing for. He may even be worth helping put into the business and educating, as they do in life insurance, at company expense.

In addition, there may be an increase in fringe benefits. One small property company has purchased group major medical for its producers and their staffs. Its production force is not large, to be sure, but the idea is interesting—and the gesture impressed the producers.

In the days ahead, selling bonuses, prizes, and convention trips, utilized to stimulate sales in life and A&S, may become much more common in the property and liability field.

Without any change in the present methods of distributing life and property insurance, without any change in commissions, the agent has demonstrated that selling all lines can improve his competitive position, lower his per premium dollar expense, in-

Better Business Bureau To Eye Auto Credit Coverages

A comprehensive nationwide study of the sale of credit life and A&S coverage in connection with automobile time payment contracts is being undertaken by the installment contracts committee of Assn. of Better Business Bureaus. The committee has been making an examination of conditions over the past several months, and the results have prompted the nationwide fact finding activity.

All bureaus are being requested to participate in the study. Time payment buyers will be asked to examine their papers on transactions within the past year and to report any apparent irregularities to their bureau for investigation. This will determine whether the coverage was included with or without the purchaser's knowledge and consent and whether or not premium charges were separately listed so that the customer could determine the cost of protection.

All cases will be summarized on uniform reporting forms and forwarded to the installment contracts committee for study and evaluation. If the findings warrant, a summary report will be prepared for release to credit insurers, auto finance companies and banking and insurance authorities.

There is no question of the importance or desirability of credit insurance, Victor H. Hyborg, president of the association, said. As properly sold by many companies, it is needed protection against outstanding debts. However, where it has been improperly sold, it is believed that it has been used as a tool for gouging the public. Information on this subject will be available, following the study, for whatever corrective measures can be taken.

crease his earnings, and, very likely, deliver an improved service to insured.

2. Don't be afraid of the premium payment plan. It is a merchandising device for those who want or need to pay monthly. For many personal insured it is a convenience. For some of them it is a necessity. However, it has special appeal to many businesses, particularly smaller commercial firms, who need the difference in cash for operating purposes. It is, in a sense, an easy way to borrow money.

Payment Plan Advantageous

For the insurer a payment plan is a means of earning an additional return on its money. It is also a convenience, particularly for smaller companies or those perhaps under-capitalized, not to have to put up all the unearned premium reserve but only one-twelfth or one-thirty-sixth of it at a time.

For the agent, in addition to the appeal of the device to insured, the payment plan reduces the appeal of price discounts by competing companies. It also has, perhaps, some value for magnetizing other coverages. Beyond this, however, a payment plan certainly tends to be a defense against competition. Single coverages are somewhat easier for a competitor to capture. It should also give you some advantage with companies on lines whose loss ratios fluctuate so that the market tightens up periodically. If the package contains life and A&S, as well as property and liability, which is a true account, it will represent an account of real value to you and to your company.

3. Stop worrying about the agency system disappearing. It isn't going to. Individual agents and individual agency companies will. But, even though the trend at present is toward somewhat fewer companies, there will be more underwriting capacity. Undoubtedly there will be more agents.

Why not worry about the agency system?

The life insurance business has approximately 200,000 producers, of which somewhat more than 5,000 are women. There is no official figure for the number of local, independent agents (or agencies) in the U. S. This lack of data is due to the fact that the number of agents is multiplied by a factor impossible to determine, the number of companies each agent represents.

But it is possible to make a close statistical guess by determining the number of agents who are furnished automobile liability manuals. This would, I believe, represent the best evidence of how many persons are devoting their full time, or most of it, to the selling and placing of insurance in the U. S. under the multiple company system of representation.

Excluding agents of exclusive agent companies, and excluding brokers, this is, for stock and mutual agency companies, 257,500. Allowing for some du-

plication for those agencies that represent stock and mutuals, and for agencies in certain midwest states that represent bureau and non-bureau stock companies, there probably are 250,000 agents (not agencies) of the sort described here.

Form, Not Content, Change Needed

Thus multiple company agents represent the largest single insurance marketing force in the U. S. It is doubtful if your competitors can destroy it or if your companies or their stockholders will want to. Nor, I think, are the alterations you have to make in it or the changes you have to undertake going to kill you.

Today's local, independent agent by and large is a community figure. He is widely known. He has taken part

in many community projects; his good works are numerous. He has not been a merchandiser in the usual sense at all. Business has come to him. It has developed almost by osmosis. This is the genteel, professional way. It is leisurely, low-voltage competition. The pressures now being exercised will effect some changes.

In an age of organization he has to become something of an organization man. He needs to become less independent—but only to the extent of becoming more responsive to the needs of insured, insurer, and his own business. Developing circumstances will force agents to face the problem of maintaining a living economic organism with continuity, will force him to build staff, and to plan and spend for the future.

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NAIC Zone 5 Meeting To Study Effect Of Variable Annuity Ruling

LITTLE ROCK—The effect on state regulation of the U.S. Supreme Court's variable annuity decision has been added to the program of National Assn. of Insurance Commissioners' Zone 5 meeting at Hot Springs, April 29-May 1. Speaker at this discussion will be Harold A. Dulan, University of Arkansas, who is also president of Participating Annuity Life.

"Because of a demand for this program item, we are scheduling it in lieu of a previously announced discussion of regulatory problems raised by the M-1 report," Commissioner Combs of Arkansas, zone chairman, said. He added that the M-1 report will probably be taken up during the meeting of department rating staffs, April 29.

Mr. Combs said the NAIC subcommittee on organization, ownership and certification of insurance companies, headed by Parker of Virginia, will meet April 29.

Alfred I. Jaffe Is New President Of N.Y. Agency

Alfred I. Jaffe has been advanced from vice-president to president of Jaffe Agency, New York City. He succeeds his father, Bernard G. Jaffe, who relinquished the top post at a luncheon marking the agency's 50th anniversary and his own 70th birthday. He will continue as a director and consultant.

Alfred I. Jaffe has been with the firm since 1939 and vice-president since 1949.

NFPA Has New Folders

National Fire Protection Assn. has prepared two new fire safety folders. "You Are On the Spot" spells out rules for safe handling of dry cleaning fluids. It was published to coincide with spring cleaning, and suggests that it is best to let a professional do dry cleaning. The other folder, "Sparks Astray," is designed for welders and points out the dangers of careless torch welding. The folders are available from NFPA, 60 Batterymarch Street, Boston.



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agents

FINANCIAL STATEMENT December 31, 1958

ASSETS

Cash	\$ 1,339,515.87
U. S. Government Bonds	2,321,927.65
Other Bonds	5,277,615.96
Stocks	1,530,394.86
Commercial Standard Fire & Marine (wholly-owned subsidiary)	688,973.50
Real Estate Owned	73,389.96
Agency Balances and Due from Reinsuring Companies	4,263,831.58
First Lien Real Estate Loans	408,024.40
Accrued Interest	95,308.87
Other Assets	19,565.51
Total Assets	\$16,018,548.16

LIABILITIES

Reserve for Unpaid Losses	\$ 3,023,544.58
Reserve for Unearned Premiums	7,831,216.34
Reserve for Taxes and Expenses	665,151.56
Other Liabilities	74,551.81
Total Liabilities	\$11,594,464.29
Capital Stock	\$1,100,000.00
Voluntary Contingency Reserve	100,000.00
Surplus	3,174,083.87
Surplus to Policyholders	4,374,083.87
Total Liabilities and Capital	\$16,018,548.16

	December 31, 1957	December 31, 1958	Increase or Decrease
Assets	\$15,680,474.11	\$16,018,548.16	+\$338,074.05
Policyholders Surplus	4,012,741.49	4,374,083.87	+ 361,342.38
Premium Income Since Organization		\$156,879,252.21	
Losses Paid Since Organization		66,781,171.79	



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Agency Management Ideas Are Aired

(CONTINUED FROM PAGE 22)

ideas are sound, she saves the agent a great deal of time, and she can do much to increase the prestige and business of the agency. She can buy supplies; issue checks to pay current expenses, with the agent signing; pay bills and get them discounted, and issue the policy and make the invoice.

Mr. Rice said that the agent should find it necessary to sit at his desk only to prepare insurance proposals and secure quotations; to process prompt

settlement of claims; to study new and old coverages; acquire a working knowledge of the sales values in his manuals; and check the mail for changes in rates and coverages. Every other duty involved in the functioning of an agency should be delegated to a staff employee. If all agents were to follow this positive course, and concentrate on sales and service, they would not need to fear competition.

He recommends use of the agent's

own letterhead with window envelope. He suggested buying stamps in rolls of 500 to save the time spent in tearing them in strips. When mail is large enough, of course, a postage meter is suggested.

In one instance, Mr. Rice found that one girl in an agency was getting the mail out in an awkward, time-consuming manner, which cost her 15 to 20 minutes of overtime without pay and which many times caused her to miss her bus and wait an hour for the next one. He suggested doing part of the mail at noon, and doing it in such

a way as to require much less time. Now she leaves with the other girls and catches her bus.

In one father-son agency, nobody opens the mail but father. When he is away a few days, the mail waits until he returns. Opening mail is time consuming, and a secretary should open it, sort it, and put it on the agent's desk. After a while, she will need to give the agent only that part of the mail she cannot handle.

Since it costs \$1.02 to write and mail a letter, letter-writing should be reduced to a minimum, should be short and to the point, Mr. Rice advised. He recommended use of dictating machines, use of second sheets by the secretary with one time carbon, and form letters for routine insurance correspondence.

Basically, the agent is a salesman, Mr. Rice declared. The volume of any agency can be increased 20 to 50% without increasing costs. This would increase net profit. The biggest asset is the agent himself, and he should use less seat and more feet. The answer is management.

Agents Form Management Firm

Mr. Johnson spent a day studying the operations at Insuror's, Inc., Miami, a management firm that furnishes most agency services for seven individual agents. Three of the seven own the management corporation.

The seven agents, Mr. Johnson said, were writing from \$100,000 to \$400,000 in premiums a year when they began to operate under one roof Feb. 1. The management writes all policies, endorsements and does all the bookkeeping. It maintains all the correspondence and daily report files. It has a claim man to expedite claims. It furnishes office space with all utilities including phone service except for long distance. The individual agent pays the management concern 40% of commissions except life and excluding contingents. Each agent has his own individual companies. If one agent brings in a piece of business which he cannot place with one of his companies, the office manager will place it in one of the other agent's companies, and the producing agent gets the full commission less the management firm's 40%.

Duties Don't Overlap

Mr. Johnson said he could see a possible danger in an agent unable to place coverage with his own companies loading up another agent in the same firm with unprofitable risks, which would ruin his contingent. But in Insuror's, Inc., no risk is bound on this basis until the company first approves it.

The agent pays company balances direct. Special agents call on the respective agents. On a risk on which an average rate is necessary, the management concern will function unless it is behind in its work, in which case the agent has to do the average rating himself. Each agent designates a company in which the risk is placed. He submits a risk on an application form.

The management firm prepares lists of expirations for each agent. Each agent furnishes his own letterhead. The management firm gets out all the mail. However, it does not use postage paid return envelopes. Daily reports are filed alphabetically and by agent. Invoices are sent out the same way.

What happens when six agents all want policies out at one time? The management firm is trying to get new business out daily and renewals 30 days in advance, but so far it has not worked out that way. The firm hopes to get it on that basis.

The individual agents represent 100



A bunch of the boys were whooping it up in the Malamute saloon:
The kid that handles the music-box was hitting a jag-time tune.
Back of the bar, in a solo game, sat Dangerous Dan McGrew,
And watching his luck was his light-o'-love, the lady that's known as Lou.

Now Dan was a-winnin' and Lou was a-grinnin', but that kid was layin' his plans:
While he tickled the keys that night of the freeze, Lou's furs were itchin' his hands!
The tempo grew, the air was blue, the night got colder and colder;
It was after one, and her furs were gone, when Lou yelled, "I've got a cold shoulder."

Up jumped McGrew, with his gun in view, a lethal looking six-shooter;
"I'll get him," Dan swore as he went for the door after the jag-time fur looter.
"Dan, let him go," cried Lady Lou. "If he's killed, you'll swing from a tree.
I'm covered for all the furs and more with insurance from G.F.&C!"



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companies—which they concede is a lot too many. Advertising is done on an individual basis. The agent does his own collecting. There is no system yet of weekly or monthly meetings, but these are planned.

Life Span Depends Upon Work

What are the advantages to this type of operation, Mr. Johnson asked. One of the agents reported that he had cut the number of his employees from 22 to five and that four of the 22 were solicitors. He cut back on solicitors because there isn't enough spread left, after payment to the management firm. There were substantial savings on rent, phones, postage, janitor services, heat, gas, water and, importantly, the time it took to place business.

Mr. Johnson does not think this is the way to perpetuate an agency because a management firm is not going to be helpful in that direction. However, the agents believe they are on the right track.

In his opinion, the best way to perpetuate an agency "is to work like a dog." Worry will but hard work won't kill anybody, he said. After the war, a lot of agents got to feeling

mighty important—business was rolling in, rates were going up, commissions were rising, and agents were making more money. So they started playing golf twice a week, drinking a martini for lunch and sitting in their offices waiting for the phone to ring instead of going out to work.

He predicted that his own agency, the Fisher-Brown agency of Pensacola, would be in business 100 years from now—because it always has done a lot of hard work and is still doing it. The agency was founded in 1908 by L. S. Brown. In 1911 Hunter Brown took over. One girl wrote the policies, one man kept books and the boss was the producer. Today the agency has 18 men and 50 girls.

The way Mr. Brown perpetuated the agency was by everyone working like the devil. In the worst years of the depression, it made \$6,000 profit after taxes. How?

Buy Small Agencies

"We took the telephone book and after that we got the city directory and we went down the list picking out names of prospects whose names we did not have," Mr. Johnson said. "We assigned these prospects, five at a time, to each of the four men who were producers at that time. Each man got his prospects to call on each day. We had daily sales meetings, and the next day you had to report on the results of your five calls." Work started at 7 a.m. and stopped at 7 p.m. six days a week.

Another way Mr. Brown laid out to perpetuate the business was buying small agencies—from agents who would not keep up with trends and who did not want to hire solicitors. Fisher-Brown has purchased seven agencies.

Have Ownership Interest

One way the agency has been able to keep good men is that they have an ownership interest. In turn, those agents in the firm today who own the majority stock are planning to have younger men purchase that stock as time goes on, and in the same manner. The agency has an insured pension plan for \$25,000 of life insurance and \$25,000 of retirement income at 65. The agency pays its men good bonuses. The four junior agents each took a minimum bonus of \$2,500 last year. Each man is furnished with an automobile and takes it home with him at night. There is not a man on the payroll who will not call at 8 or 9 or even 10 p.m. if someone wants to buy some insurance. He has the incentives.

Part of the story of the success of the agency, Mr. Johnson said, is that even though it has a lot of small accounts, it has started with such accounts in the past when they were small and as they grew, so did their insurance needs, and the agency has taken care of them. He strongly urged more account writing.

However, there is no use handling an account that doesn't have a chance to grow, or a risk who is perpetually slow pay, he said. It is no use worrying about perpetuating the agency unless the agent can collect the balances due him and unless he gets the loss ratios down to where the company can live with them. Unless the agent can overcome these two problems, he isn't going to have anything to perpetuate, Mr. Johnson declared.

A. J. Cate has been installed as the 1959-60 president of **Independence, Mo., Assn. of Insurance Agents**. Other officers are Ralph Freeman, vice-president, and James R. Sitlington Jr., secretary-treasurer.



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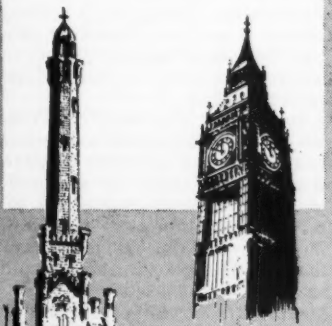
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Rhode Island Faces Monopolistic WC Fund Fight

(CONTINUED FROM PAGE 4)

agers. How much weight would a court give to a release signed by a teenager? he asked.

No, he said. Until states control water skiing more effectively, it will continue to constitute a real problem.

Is there an age limit on boats? Mr. Dummer said condition is more important than upkeep. Old boats present certain problems and they are scrutinized carefully. Yet, one agent pointed out, the rate is high.

That, Mr. Dummer said, is because of the difference between market and replacement value. Partial losses hit the insurer hard, and it has to get enough premium to pay them.

Commenting on machinery damage and its coverage, Mr. Dummer noted that creation of flood control projects by Army engineers is creating real boat insurance headaches. There is one of these projects just north of Atlanta which has a 500 mile shoreland. With

the best of clearance, for years these man-made bodies of water are going to be full of floating debris that constantly poses the danger of boat damage.

Outboards develop less premium so that the same time cannot be devoted to underwriting them as on inboards, on which premiums are two to 10 times as much, Mr. Dummer said. On outboards agents should keep in mind the correlation between the owner's automobile accident record and his experience with the boat. If he is a wild Indian on the road, he will be in the water.

Mr. Gardenstone said losses on outboards are rising sharply. One reason is that repairers who have had training in the Navy throw away damaged parts that could be used over. This tends to increase the cost of repairs sharply. Outboard rates, Mr. Dummer observed, have risen from a general level of 3% to as high as 9%. He agreed that some of the repair shops charge high prices but a lot of them are good ones. Mr. Gardenstone reiterated his charge that the majority are bad.

Yachting Growing Enormously

A couple of years ago the insurers began to get a lot of thefts of outboards and started using the lock warranty. Agents and owners objected, but a responsible person with a good motor will protect it with a lock anyway, Mr. Dummer said. Insured who did object to the warranty were cancelled, he added. Consequently, the losses due to theft dropped in 1958 to 3% of the premium, from 25%.

One agent said one of his insured lost a motor when the thief sawed off the lock. Mr. Dummer said he knew of instances where thieves had chopped off the lock with an ax.

Manufacturers have been responsible for some of the rise in yacht loss ratios, Mr. Gardenstone said. One outboard motor used to cost \$80 to repair. Because of short cuts taken by the manufacturer and its use of magnesium, this motor now costs \$250 to \$300 to put back in working order after being dunked in salt water.

Yachting is growing enormously, Mr. Dummer observed. In Rhode Island the number of boats increased by almost 6,000 to a total of 37,000, 1958 over 1957. Consequently, boats represent a very large insurance market. Among things the underwriter wants to know is where, when and by whom built; whether the inboard motor is a marine one or a converted automobile motor; the fair market price; seamanship of owner; losses; where moored, which bears importantly on exposure to storms and theft; where laid up in

the winter, ashore or at anchor, because of damage by ice, and whether it is to be used for water skiing purposes.

Mr. Gardenstone told agents the boat's safety is of primary importance. Its structure and condition are quite important—where fuel tanks are located and how they are filled; the electrical installation, batteries and how stored, and the kind and condition of pumps.

In the insurance business, "we are not selling a product but service," Mrs. Geary told agents. So the service should be given graciously, willingly and promptly. That is why it is important to answer the phone right away and in a pleasant manner. After all, the caller is looking for help. Where the caller wants to order a policy, she recommended use of an application blank to be sure to get all the necessary information.

Policy writing is a vital function in an agency, and it should be done properly, she said. The complete name should be given—never use John J. Jones & Wife, but John J. Jones & Wife Mary A.; or, better still, John J. Jones & Mary A. Jones. The safest way is to write it exactly as it appears on the deed. Term and policy dates must coincide. Give the type of protection or coinsurance, if any.

No one likes to write an endorsement. But writing it shouldn't be put off till next week. It changes a legal contract and should be taken care of immediately. Suppose Mr. Smith has a \$10,000 policy, then builds a \$4,000 garage which he asks the agency to add to his policy. The girl waits for a day when she is in the mood for writing endorsements. In the meantime, lightning strikes the garage and burns it to the ground. The agent is going to have a hard time convincing the company that it should pay the \$4,000.

Losses Need Close Checking

The binder also must be handled at once. If one comes in at 4:15 on Friday for a \$35,000 homeowners on a new house, and the girl doesn't take time to write it till Monday, what if it burns down over the week-end?

Mrs. Geary warned that on calls reporting losses the girl should check the daily before telling insured the loss is covered. The date of loss could be important if it falls close to renewal time. It may not be the same coverage or fall within the policy period. One insured reported the loss of a convertible top. On checking coverage, she found it was for a two door sedan. It was the same insured, but he had his convertible cover in another agency and company.

It is too bad, she said, that filing, which is very important to company and agent, tends to get done by underpaid neophytes. Once the girl gets a little experience, she moves on to a better paid job—and away from filing.

Those on the dais at the banquet included J. Theodore Burke, executive secretary Massachusetts association; J. Austin Carroll, vice-president Providence Washington; Frank J. Lowrey, state national director; Herbert W. Rathbun Jr. of Westerly and Edward H. Quillan of Providence, vice-presidents of the Rhode Island association; Edgar S. Cook of South Weymouth, vice-president of the Massachusetts association; Walter T. Matthews of Hartford Fire, president Rhode Island Insurance Fieldmen's Assn.; John R. Hackett, director University of Rhode Island extension division, and Hartley D. Roberts, the new commissioner, retired vice-president of American Surety at Providence.

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A large Mutual Company has opening in Missouri-Kansas for qualified Inspector. General Business written thru agents. Headquarters in or near Kansas City, usual company benefits, bonus plan, retirement plan. Some experience in inspection or fire underwriting, must be willing to travel during week, car and expenses furnished. All replies confidential. Reply Box F-89, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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For expanding local office of nationwide Stock company. You will assume responsibility for handling our Fire business. Must be capable of taking advantage of expanding opportunities in a young rapidly growing organization. Enthusiastic, aggressive, and sound education. Unique benefits. It will pay you to investigate. In confidence, write Box F-90, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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This is a challenging Home Office opportunity with a large Multiple Line company located in midwest. Full responsibility of Safety operation. Should have proven administrative and technical ability. Opportunity for wider future responsibilities. College degree required. Salary open. Outstanding company benefits. All replies confidential. Address Box G-2, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Statutory Fire Policy Not Part Of Block

(CONTINUED FROM PAGE 25)

York state. The section clearly indicates that fire insurance and marine insurance are two different types of insurance. Hence, there is no legislative mandate requiring marine insurance contracts, as they cover loss by fire, to comply with the statutory fire insurance provisions of the insurance law.

The inception and history of the jeweler's block policy also points to this conclusion the court said. A block

policy, as understood by the jewelers, by underwriters, by the insurance superintendent, and by the legislature, was not a combination of various risks united in one policy for convenience, but was, in reality, a new and totally different kind of insurance which was not authorized prior to the passage of the permissive legislation. Indeed, if this type of insurance were considered merely a combination of risks, there would have been no need for the enactment. It was precisely because combinations of policies were inadequate to serve the interests of jewelers that the new insurance was allowed.

Utilizes Comparison

A comparison of the fire protection given by the standard fire policy and the Lloyds jewelers block policy indicates that the former is not incorporated into the latter, the high court stated.

Although the fire coverage feature of the block policy is optional, in that insured may exclude it as a practical matter, the jewelers block policy includes the risk of loss by fire. The option is given to insured to exclude it, the court said. Of course, standing alone this is meager evidence to support a construction that the provisions of the fire policy are not incorporated into the block policy. But there are other considerations which militate against a contrary conclusion.

Thus, while the basic fire rating bureau rates are used in determining the premium to be paid for fire coverage, the actual rates are based upon the amount of inventory in unprotected areas. That percentage of jewelry which is stored, for example, in

safes receives the benefit of reduced rates. Hence the cost of the fire coverage may be substantially less than ordinary fire rates where a large percentage of the inventory is stored in protected areas.

Fire Cover Localized

Finally, the standard fire policy against direct loss by fire of property protects at the location named in the policy. The block policy is more extensive, providing for both direct and indirect loss by fire, and is not confined to loss in a particular location.

The court reviewed the Minnesota case, *Fireman's Fund vs Vermes Credit Jewelry*, but noted that to overcome this court decision, the Minnesota legislature soon thereafter enacted appropriate legislation.

The New York insurance law is not comparable to the Minnesota statutes, the court said. The intent of the New York legislature was clearly expressed by its exhaustive definition of the different kinds of insurance.

Therefore, the provisions of the standard fire insurance policy are not incorporated into the jewelers block policy.

Woods Patchogue Corp. was represented by Zipser & Levitt, and Franklin National by Rein, Mound & Cotton.

Steele To West Mo. Field

Kansas City F.&M. has appointed Paul E. Steele state agent for western Missouri with headquarters at Kansas City. He will replace Charles Bolin, who has resigned to enter local agency work. Mr. Steele has been Missouri state agent of London Assurance for 11 years and prior to that was with Aero Insurance Underwriters.

1959 Agents & Buyers Guide Truly Multi-Line

(CONTINUED FROM PAGE 25)

the trend to "small lines" of "one-stop" insurance selling.

Copies of the book, published by the F.C.&S. Bulletins department of the National Underwriter Co., may be ordered from the National Underwriter Co. at 420 East Fourth Street, Cincinnati, 2, Ohio, or from any field office. Copies are \$5 each.

The markets section of *The Agents & Buyers Guide*, containing information available in no other single source, again offers data about placing sub-standard or unusual coverages. This section has become increasingly popular as insurance men have recognized its importance and authenticity.

The chapters devoted exclusively to survey work have been refined in the 1959 edition including suggestions on integrating existing contracts into a recommended program under a chapter entitled "Survey and Audit Notes."

Other features include an illustrated losses section which describes more than 200 losses illustrating perils of all descriptions; a section on definitions of coverages which contains also a list of pools and underwriting offices; a chapter on companies listing the states in which they operate, the lines written, the membership and organizations and rating bureaus, etc.

Texas A&S Men Elect

L. C. Cornelison, Old National, has been elected president of San Antonio Assn. of A&H Underwriters. Other officers are Ralph McCartney, Occidental Life of California, vice-president, and James Pearce, Mutual of New York, secretary-treasurer.

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Clarify Financing Of Proposed N. Y. WC Fund

In the April 3 issue of THE NATIONAL UNDERWRITER it was reported that the New York legislature passed a bill to set up a WC fund to pay benefits to employees of concerns which failed to carry insurance or whose insurance was cancelled. It was stated that the fund would be created by assessments on WC premiums, including those of State Fund. Actually there is no provision for such assessments in the bill.

The measure provides for financing by assessments of \$150 imposed on every uninsured employer against whom WC claims are made with respect to injury or death occurring on or after May 1.

There will be additional assessments of 15% of the award or awards made in such cases subject, however, to a maximum of \$1,500 per claim. Another source of finances will be from fines imposed in criminal proceedings against uninsured employers for failure to secure WC payments as required by law. These fines were here-

tofore applied to the administrative expenses of the WC board.

The bill is awaiting the governor's signature.

Rhode Ind. Chief Examiner

Seymour Rhode, an examiner for 15 years, has been advanced to chief examiner of the Indiana department. He succeeds James E. Duduit who resigned to become executive vice-president of American Public Service Life, which is being organized at Indianapolis.

Form Home & Overseas, N. Y. Reinsurance Firm

Home & Overseas Offices, reinsurance intermediaries and specialists, has been formed at New York City. The company, backed by American interests, has representation in the principal cities of the world. Arthur B. Eaton is president and Ronald E. Woollaston vice-president.

Mr. Eaton began his career in 1928 with North America and became manager at Cleveland. After 13 years he joined Royal-Globe and later became agency director of American Mutual Liability. Subsequently he was general sales manager and assistant to the president of Lumber Mutual Casualty of New York, now New York Mutual Casualty. He has also been vice-president of Manufacturers Casualty. For the past several years, he has been associated with Delaney Offices, New York.

Mr. Woollaston's first experience was with J. H. Minet & Co., Lloyds brokers. He was later transferred to the U.S. to join one of the Lloyds correspondents and had experience in domestic and foreign reinsurance in Europe and South America. For the past three years he has been a vice-president of Ultramar Inter-America Corp., where he handled reinsurance and jumbo risks.

Presidents Elected By 3 Nationwide Affiliates

Three companies affiliated with Nationwide Mutual have elected presidents to succeed Murray D. Lincoln, who becomes general chairman of each. Approved Finance and its subsidiary, Heritage Securities, have named George S. Hough of Westerville, O., and Herbert E. Evans, Columbus, will head Peoples Broadcasting Corp.

Stock Split By F.&D.

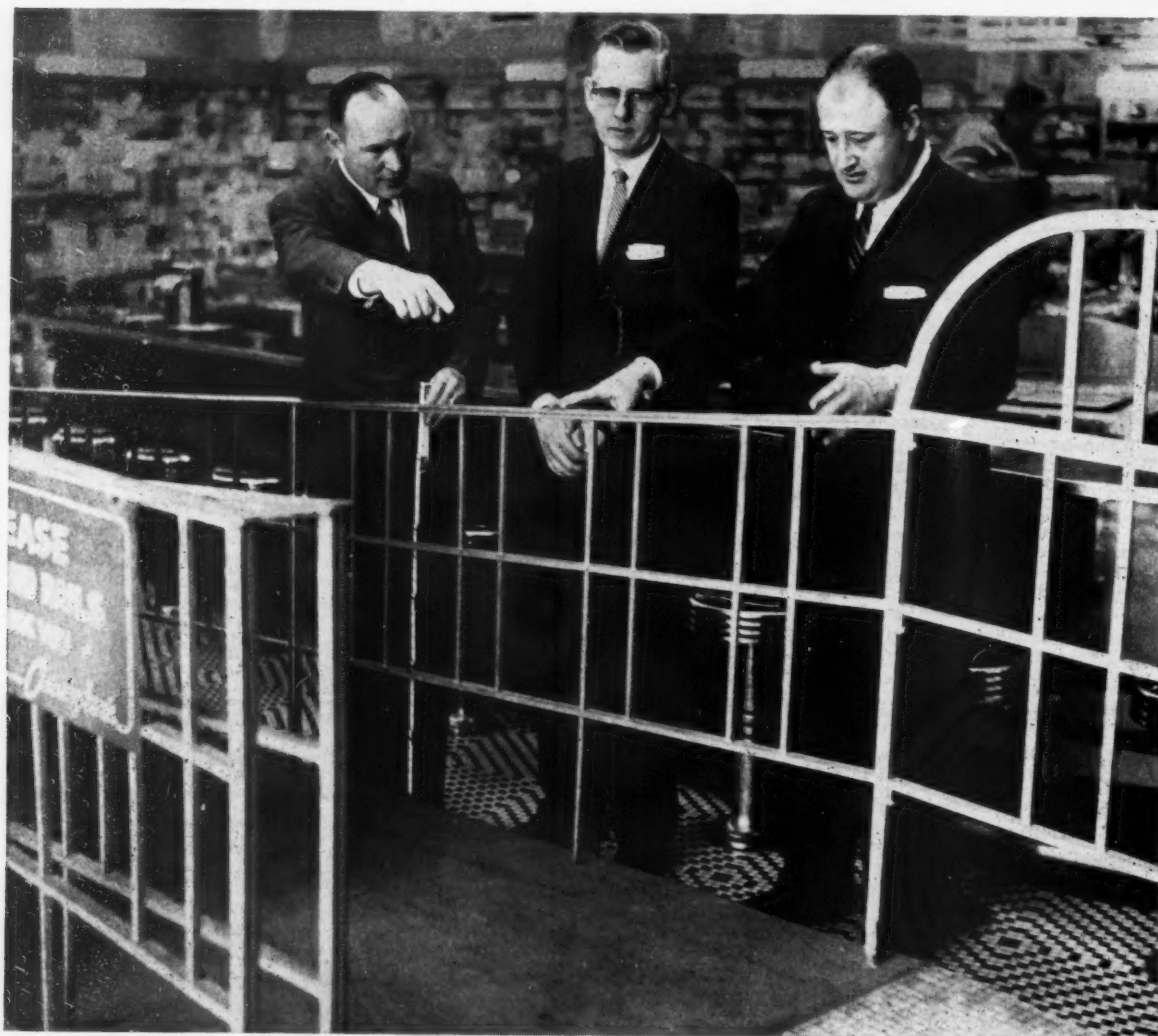
Directors of Fidelity & Deposit have approved a two for one stock split subject to approval of stockholders at a meeting May 20. If this is approved, the board indicated it will declare a 12½% stock dividend—one share for each eight shares of new stock held on a record date to be set by the board. A regular quarterly dividend of 50 cents a share will be paid on the new stock if earnings warrant. This equals \$4.50 annually on present stock.

Authorized capital is now \$6 million with 600,000 shares of \$10 par stock of which 400,000 shares are outstanding. After the stock split and the stock dividend, outstanding capital will be \$4.5 million with 900,000 shares of \$5 par stock. The remaining 300,000 authorized shares will be subject to future board or stockholder action.

Indiana CPCUs Given Legislative Review

J. Russell Townsend Jr., general agent Equitable Life of Iowa in Indianapolis, and Edward P. Gallagher, executive vice-president American States, addressed the Indiana chapter of CPCU on insurance activity of the recently concluded Indiana legislature. Mr. Townsend is a state senator and served as chairman of the senate insurance committee, and Mr. Gallagher heads Insurance Institute of Indiana.

Loren Powell of Flint has been designated to direct a year-long membership campaign of Michigan Assn. of Mutual Insurance Agents.



No pleasanter, safer place to shop than Cunningham's

Cunningham's Drug Stores, a chain of 218 stores operating in Detroit and other metropolitan areas, have always been pleasant places to shop and, now, thanks to a sound, effective loss conservation program developed by Standard Accident's Detroit Branch and the Fred A. Ginsburg agency, there are no *safer* stores to shop in, either.

Here (left to right above) Frank Dwyer, Supervising Safety Engineer, Standard Accident, Detroit Branch, James B. Bonner, Cunningham Vice-President and Secretary and Arthur Thorner, Jr., Fred A. Ginsburg Co. representative, are inspecting a ramp that was put in to eliminate an injury-causing defect in the store entrance. This, and a number of other important recommendations, made after a thorough safety engineering survey of Cunningham stores, has resulted in a very substantial reduction in injury losses involving Cunningham customers and employees alike . . . to quote Mr. Bonner, "an outstanding service."

The money saved, injuries eliminated and customer goodwill engendered are typical of the many benefits enjoyed by Standard Accident assureds who have availed themselves of this extremely valuable field safety engineering service . . . a service, incidentally, that's readily available to all Standard Accident agents and their clients from the Company's highly competent, nationwide staff of full-time safety engineering specialists.



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Wash. Agents, Mortgage Bankers Can't Agree

Mortgage Bankers Assn. of Seattle has declined an invitation of Washington Assn. of Insurance Agents to set up a special committee to confer with the agents and establish standards of practice in handling fire and homeowners policies filed as collateral by independent agents.

The agents for some months have been attempting to arrange a meeting with the mortgage bankers to review grievances and set up standards to define the obligations and duties of mortgage companies and agents in handling policies securing mortgages. The agents were surprised at the declination of their invitation, especially in view of the fact that a similar series of conferences with the state bankers association had been held some time ago and arrangements completed for handling homeowners policies were filed with commercial banks.

The agents complained that there have been refusals by mortgage companies to reserve premiums for homeowners policies unless the mortgage company affiliate writes the insur-

America Fore Loyalty In Pittsburgh Opener

American Fore Loyalty group held open house Thursday for agents, brokers, city officials, including Mayor Gallagher, Bankers, leaders of industry and officials of other insurers in the new Pittsburgh office at 200 South Craig Street.

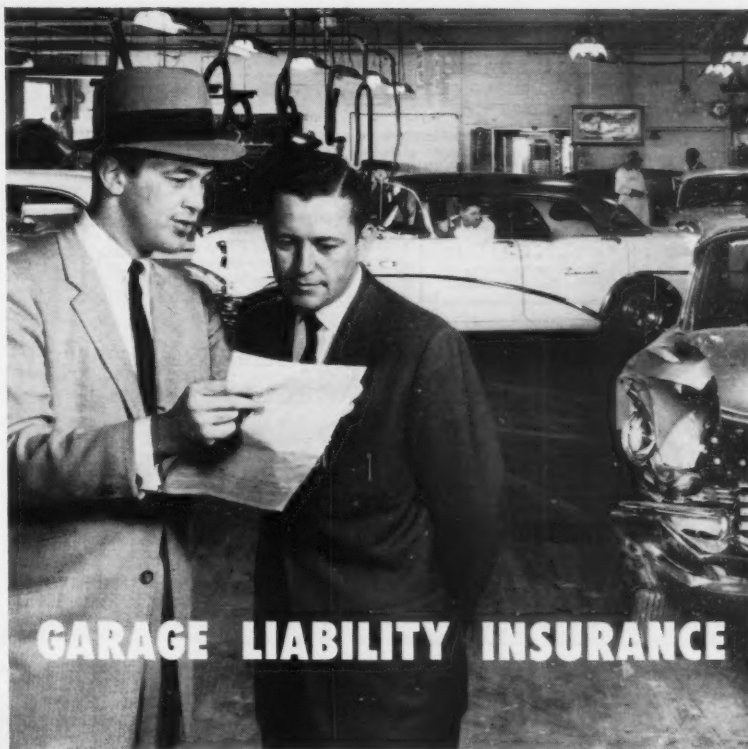
Joining the Pittsburgh staff to greet the visitors were top officials from America Fore Loyalty's home offices in New York and Newark.

The day before, the companies conducted a family day for employees attended by the wives and children who toured the building, met families of associates and had a buffet lunch. Special entertainment and souvenirs were provided for the children.

The building is five stories high.

ance, and there have been instances of solicitation of renewals of agents' by mortgage companies.

There have been predictions that the position taken by the Seattle Mortgage Bankers Assn. will result in litigation and a fight in the next legislature to tighten the anti-coercion law.



GARAGE LIABILITY INSURANCE

The coverage is broad and

the field is a big one, with a good

profit potential for the agent

One of the broadest policies available today is the Garage Liability Policy. It covers automobiles owned and operated by the garage in connection with the business; it covers non-owned and hired automobiles operated in connection with the business; it covers the general liability hazards of premises, operations, products and completed operations, and elevator liability; it covers medical payments arising out of the premises and operations hazards; it can cover the insured's legal liability for damage by collision to property in his care, custody or control.

All of this coverage can be afforded under a policy which uses the single premium basis of payroll and which involves no complex schedules.

Here is a field worth looking into. Write to us if you are interested, and a qualified representative will call and discuss it with you in detail.

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1 Anchor Casualty's Versatile Packaged Policies... Multiple Line Facilities

A wide variety of standard stock coverages—tailored and packaged for present markets and sales. Home-owners', Motel Owners', Automatic Laundry Owners' and Combination Service Station* policies are representative of Anchor's broad line of effective selling tools.

*In states where approved

2 Queen City's Economy Automobile Plan... Preferential Fire Rates*

Key stock company coverages at substantially reduced, competitive rates. Ideal for getting and holding business on those cost-conscious risks. Streamlined administration and acquisition costs eliminate red tape—give you more time for selling and servicing.

600 Mass. Brokers Hold Working Meeting

(CONTINUED FROM PAGE 2)

manage our business for us. This is blatantly unfair, contrary to the principles of free enterprise and has no place in the sound and legally correct state government regulation of the great and vital business of insurance. We equally resent, and shall now vigorously and publicly answer, the latter day habit of some politically-inspired individuals to fly into print with unwarranted and untrue attacks on the insurance industry as a means of capturing headlines."

Mr. Dorsett showed how public information and education will help with the attack on major causes of rising automobile liability insurance rates. These reasons, Mr. Dorsett explained, are: 1. Steadily increasing traffic accidents; 2. general economic inflation; 3. rising jury verdicts; 4. strongly rising costs to repair both vehicles and people and 5. padded and fraudulent claims.

These, he said, are all conditions beyond the control of insurance companies.

Mr. Field said the first job of any general lines firm is to put business on the books. The type of business solicited and whether it is on an account basis or not is not as important, he said, as getting policyholders who may later be developed into accounts, with a door opener policy in force.

Mr. Field, whose advice about agency growth problems is frequently sought, covered a wide range of that subject. Do not minimize the importance of a good bookkeeping system, one which will allow for expansion in all directions right from the outset, he advised. Figure out the premium volume breaking point when a girl is first needed, it being of "prime importance that a girl do the mechanical work and leave the broker free for more solicitations." When the owner of an expanding general lines agency arrives at the point where he should hire a man, the first step, in Mr. Field's opinion, being to hire an inside man, an office manager.

Various of the steps of growth and expansion amount to "one step backward to make the two steps forward," Mr. Field pointed out. The owner must be prepared to make financial sacrifices at certain stages and sometimes this point may also be a good point to level off to consolidate gains and reorganize for more.

Mr. Cagney said that people do read insurance ads. He disagreed heartily with advertising managers who illustrate copy with pictures of giraffes, bathing beauties, etc., on the theory that people have to be tricked into reading copy; and insisted that insurance advertising—company and producer too—can be both dignified and effective.

Eighty per cent of the local agents and brokers' advertising dollars are "completely wasted," Mr. Cagney said. How much thought is given to presentation of the name? He suggested having an expert draw up an ad signature for use on all ads. Also, Mr. Cagney thinks an agency symbol of some kind very important.

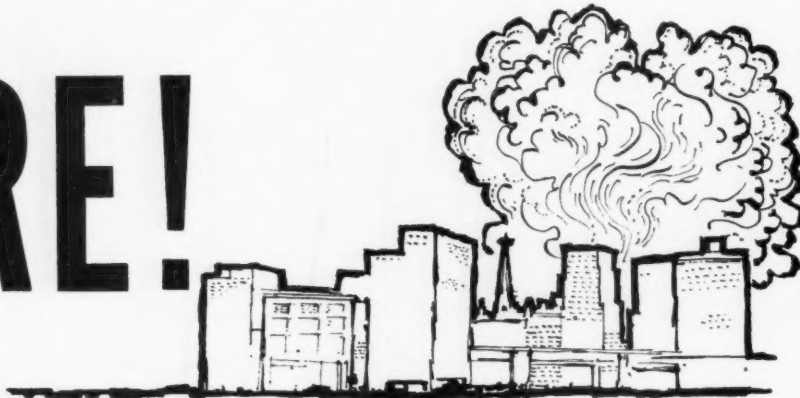
There are, he said, surprisingly few insurance producers who advertise themselves as "your Hartford man," "your Aetna man," "your American Fore man."

Mr. Cagney said he has always been opposed to radio advertising—too wasteful—but that radio is now becoming an "excellent buy." TV is too expensive, but if producers are going into it, there is only one way—"go on yourself, do not have somebody read the commercials for you."

Mr. Cagney does not think of direct mail as an offensive weapon, but defensive. Anybody who cannot call on each of his customers at least once in six months should at least send the customer a letter to remind him that the agent is in the insurance business. Mr. Cagney is strongly for a letter for this purpose, not a stuffer.

Mr. Mueller said the broker is the representative of the buyer and because of his knowledge of insurance contracts and companies specializing in various types of insurance he is in a position to obtain the best policy to suit his client's needs. It is the duty of the broker to obtain the best insurance available. Merchandising of products from automobiles to groceries has been placed on a one-stop basis. It is that way with insurance too. The broker has become the man to handle all the insurance needs of his clients, guaranteeing the buyer the best in insurance service and coverage.

FIRE!



IF IT'S HAZARDOUS OR UNUSUAL... if it's a risk that is difficult to place... look to Homer Bray Service, Inc. Here you'll find unbeatable market facilities and maximum-strength coverages for almost every risk classification.

Highest security for you and your assureds is guaranteed by the unique Bray automatic treaties which combine American stock companies and Lloyd's, London.

It's no wonder that more and more producers are turning to the "in depth" facilities of Homer Bray Service for profitable placement of every type of unusual risk... for more information, contact your Bray office today!

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Ark. Rating Bureau Renames Beebe

LITTLE ROCK—Philip S. Beebe, western manager Hartford Fire, was renamed chairman of the board of governors of Arkansas Inspection & Rating Bureau at its annual meeting here April 17. Rufus Harvey, resident vice-president Firemens Fund at Dallas, was chosen vice-chairman.

In his report, Walter Plangman, bureau manager, stated that the 252 member and subscriber companies wrote \$28,950,931 premiums in fire and allied lines, including homeowners and commercial multiple peril policies, with an over-all written and paid loss ratio of 41.0%.

The loss ratio on some \$17,205,811 fire premiums was 56.0%, a higher percentage than previously, he said. But this experience is accounted for in part, he said, by the withdrawal of substantial fire premiums in dwelling lines which have gone into the homeowners multiple peril classification. EC premiums totaled \$8,976,963 with a loss ratio of only 23.1%.

Criticisms issued by the bureau's division of audits in 1958 increased by 17.6%, Mr. Plangman said. The increase was due principally to the introduction of homeowners because many policywriters were not experienced in writing these policies.

T. B. Lee, Commercial Union, and C. B. Young, National Fire, retired from the board of governors, their terms having expired. They were succeeded by representatives of St. Paul F&M and Travelers Indemnity, the individuals to be named later.

Role Of Safety Engineer Told At Ill. A&S Forum

Every accident has a cause—a result of either an unsafe condition or and unsafe act, members of Illinois A&S Underwriters' Forum were reminded at their April meeting at Chicago.

Repudiating the fallacious blame of bad luck were Kenneth Schlorf, superintendent of engineering, and Louis Byerly, supervising engineer, Fireman's Fund.

The safety engineer came into the fore during World War II when lucrative war contracts demanded far more intensive safety programs than had existed previously. Modern safety programs require: Supervision of the employee during early period of employment; accident investigation; plant inspection committee, and periodical safety meetings for employees.

Industry has learned that accidents don't pay, Mr. Schlorf said. It costs \$4 in time and equipment for every \$1 in claims costs. Safety in the home is just as important as in the plant, he added.

New York Legislation

Gov. Rockefeller has signed into law legislation that requires workmen's compensation and statutory disability on employers of three or more rather than the previous four or more.

He also signed a bill which permits hospitalization policies to cover expense after discharge from the hospital; and one that makes union officers legally responsible for union funds and requires financial reports from labor and employers' organizations.

New Farm Program In N. E.

New England Fire Rating Assn. has promulgated a new farm rating program in Maine, Massachusetts, Rhode Island, Vermont and Connecticut. The

plan contains credits only, compared with the previous plan of including credits and debits. Application for superior risk treatment is made directly to the rating bureau.

Rates Are Given

Rates also have been revised. The base rate for Connecticut is increased from \$1.40 to \$1.65; for Maine from \$1.35 to \$2; for Massachusetts from \$1.60 to \$2; and Vermont from \$1.15 to \$1.50. The Rhode Island rate remains at \$1.25.

For poultry houses charges are added for non-standard heating devices, and the heat warranties have been modified.

Hoffman To Fidelity General

Fidelity General of Chicago has appointed Martin W. Hoffman superintendent of claim department. He will have charge of all claim operations.

Mr. Hoffman formerly was supervisor of claims in the western department of Commercial Union group.

The Fort Wayne office of Underwriters Adjusting has been moved to 1235 Fairfield Avenue.

Not Going Back For More Premium In N. Y.

In connection with the 18.4% rate increase on private passenger automobiles recently granted National Bureau and Mutual Insurance Rating Bureau by New York, the bureau companies withdrew the provisional premium endorsement. This had been promulgated after the bureaus had taken a previous rate filing to court. It would have permitted them to go back to insured for the difference between the then current premium

and any increase granted by the court. The recent increase was granted on the basis of a new filing.

The provisional premium endorsement aroused a great deal of opposition among agents and brokers because of what they believed would have been its deleterious effect on public relations.

The New York department has completed a state auto marketing survey.

The ninth annual Greater Los Angeles Insurance Day has been set for May 27 at the Biltmore Hotel.

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ALL FIRE, CASUALTY, ACCIDENT AND SICKNESS, BONDING AND MARINE LINES

FINANCIAL STATEMENT, December 31, 1958

ASSETS

Cash in Banks and Office	\$ 7,233,685
Investments:	
United States Govern- ment Bonds	\$18,771,004
Other Bonds	61,215,679
Preferred Stocks	8,992,961
Stocks of Subsidiary Companies	2,433,395
Other Common Stocks	37,598,928
Total	129,011,967
Premium Balances in Course of Collection (not over 90 days due)	4,450,850
Accrued Interest	691,109
Other Admitted Assets	1,852,549
Total Admitted Assets	\$143,240,160

LIABILITIES

Reserve for Claims and Claim Expenses	\$ 43,937,795
Reserve for Unearned Premiums	33,574,131
Funds Held under Reinsurance Treaties	5,400,893
Reserve for Commissions, Taxes and Other Liabilities	9,116,672
Capital	\$ 7,260,000
Surplus	43,950,669
Surplus to Policyholders	51,210,669
Total	\$143,240,160

Securities carried at \$6,930,508 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners; if valued at market quotations, Surplus to Policyholders would be \$46,121,197.

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